

REMEDIES FOR UNFAIR DISMISSAL UNDER NIGERIAN LABOUR LAW*

Abstract

The termination of employment represents one of the most contested terrains in contemporary Nigerian labour jurisprudence, embodying the perennial tension between managerial prerogatives and employee security. This paper undertakes a comprehensive examination of the remedies available for unfair dismissal under Nigerian labour law, tracing the evolution from common law contractual principles to the modern statutory framework anchored in the National Industrial Court of Nigeria's expansive jurisdiction. The study analyses the conceptual distinctions between wrongful termination, unlawful termination, and unfair dismissal, while critically evaluating the remedial options including reinstatement, re-engagement, damages, and declaratory reliefs. Drawing from recent judicial decisions, the paper demonstrates how the National Industrial Court has progressively moved beyond the traditional common law constraints to embrace international best practices and ILO standards. The research reveals significant developments in the award of general and exemplary damages, the expansion of reinstatement remedies beyond statutory employment, and the recognition of constructive dismissal as a distinct category of unfair labour practice. The paper identifies persistent challenges including the exclusion of informal sector workers, inconsistent remedial awards, and the absence of comprehensive unfair dismissal legislation. It concludes with recommendations for statutory reform to codify unfair dismissal provisions, establish clear procedural requirements, and strengthen institutional mechanisms for effective remedy enforcement. This study contributes to the ongoing discourse on employment protection in Nigeria and offers valuable insights for policymakers, jurists, and practitioners in the field of labour law.

Keywords: Remedies, Unfair dismissal, Labour Law, Nigeria

1. Introduction

The relationship between employer and employee constitutes one of the most fundamental socio-economic arrangements in any organised society, and the termination of this relationship represents a moment of profound legal and human significance.¹ In Nigeria, as in many jurisdictions, the law governing dismissal has undergone substantial transformation, moving from the rigid common law doctrine of master and servant to a more nuanced framework that recognises the dignity of labour and the need for procedural fairness.² The contemporary Nigerian labour law landscape is characterized by a complex interplay between statutory provisions, constitutional guarantees, judicial precedents, and international labour standards, all converging to define the parameters of permissible termination and the consequences of transgression.

The concept of unfair dismissal occupies a central position in modern employment law discourse, reflecting the international community's recognition that job security constitutes an essential element of decent work.³ The ILO's Termination of Employment Convention, though not yet ratified by Nigeria, has significantly influenced the jurisprudence of the National Industrial Court of Nigeria through the constitutional mandate to apply international best practices.⁴ This judicial evolution marks a departure from the historical position where Nigerian courts rigidly adhered to common law principles that treated employment contracts as purely commercial arrangements terminable at will, subject only to contractual notice requirements.

*By **E M WOSU, LLB (RSU), LLM (IMSU), PhD (NAU), BL (NLS)**, Senior lecturer, Department of Commercial and Industrial Law, Rivers State University, Port Harcourt, Email: emmanuel.wosu1@ust.edu.ng, Tel: 08037079700

¹ O V C Okene, *Labour Law in Nigeria* (Malthouse Press, 2012) at 165.

² D V Allen, *Introduction to Nigerian Labour Law* (Malthouse Press, 2009) at 1.

³ International Labour Organisation, *Protection Against Unjustified Dismissal* (ILO, 1995) at 12.

⁴ Constitution of the Federal Republic of Nigeria 1999 (as amended), s 254C(1)(f) and (2).

The significance of effective remedies for unfair dismissal cannot be overstated in the Nigerian context, where unemployment rates remain high and the informal sector dominates employment statistics.⁵ The availability of meaningful remedies serves not merely as compensation for individual wrongs but as a deterrent against arbitrary dismissals and as a mechanism for maintaining industrial peace and harmony.⁶ Recent decisions of the NICN have demonstrated an increasingly robust approach to remedy awards, including substantial general damages, exemplary damages, and in appropriate cases, orders for reinstatement or re-engagement.⁷

This paper examines the remedies available for unfair dismissal under Nigerian labour law, adopting a comprehensive approach that encompasses conceptual analysis, statutory interpretation, case law review, and comparative perspectives. The study is particularly timely given the recent amendments to the Labour Act and the expanding jurisprudence of the NICN on unfair labour practices. The paper argues that while significant progress has been made in developing remedial frameworks, substantial gaps remain that require legislative intervention and institutional strengthening to ensure effective protection for Nigerian workers.

The methodology employed is doctrinal legal research, utilizing primary sources including statutes, constitutional provisions, and judicial decisions, supplemented by secondary sources such as academic commentaries and international labour standards. The paper is structured to provide a systematic analysis beginning with conceptual foundations, proceeding through the legal framework and types of dismissal, examining specific remedies in detail, addressing contemporary challenges, and concluding with recommendations for reform.

2. Conceptual and Legal Frameworks

The Conceptual Distinction

A proper understanding of remedies for unfair dismissal necessitates clarity regarding the conceptual distinctions between wrongful termination, unlawful termination, and unfair dismissal.⁸ These terms, often used interchangeably in popular discourse, carry distinct legal meanings that determine the available remedies and the applicable legal standards.

Wrongful termination traditionally refers to the termination of employment in breach of the contract of employment.⁹ Under this conception, the employer fails to comply with the procedural or substantive requirements stipulated in the employment contract, such as providing adequate notice or following prescribed disciplinary procedures.¹⁰ The wrong lies in the breach of contractual obligations, and the remedy is typically limited to damages calculated based on what the employee would have earned during the notice period.¹¹ This contractual approach, rooted in the common law doctrine of master and servant, treats employment as a purely commercial relationship where either party may terminate by complying with contractual formalities, regardless of the substantive fairness of the decision.¹²

Unlawful termination, by contrast, involves dismissal that contravenes statutory provisions or constitutional guarantees.¹³ This category encompasses terminations that violate the Labour Act, anti-discrimination provisions, or fundamental rights enshrined in the CFRN 1999 (as amended).¹⁴ The distinction is crucial because unlawful termination renders the dismissal null and void, potentially

⁵ National Bureau of Statistics, Nigeria Labour Force Statistics (2023).

⁶ O B Akinola, Nzom & E D Moses, 'Wrongful Vs Unlawful Termination: Clarifying Employer Obligations in Nigerian Employment Law' (2025) 8(4) *African Journal of Law, Ethics, & Education* 81 at 108.

⁷ *Lovell Osahon Ehigie v First Bank of Nigeria* (unreported, NICN/PHC/137/2017, 30 September 2021).

⁸ Akinola, and others, (n6) at 83.

⁹ *Chukwuma v Shell Petroleum Development Co. of Nigeria Ltd* [1993] 4 NWLR (Pt. 289) 512.

¹⁰ *Union Bank of Nigeria Plc v Soares* [2012] 11 NWLR (Pt. 1312) 1.

¹¹ *Nigerian Produce Marketing Board v Adewunmi* (1972) 11 SC 111.

¹² *Shena Security Co. Ltd v Afropak (Nig) Ltd* [2008] 18 NWLR (Pt. 1118) 77.

¹³ Akinola, and others (n6) at 89.

¹⁴ CFRN, ss 34, 36, and 42.

attracting broader remedies including reinstatement, back pay, and declaratory reliefs.¹⁵ Unlawful termination typically arises in the context of statutory employment, such as public service appointments governed by specific enabling legislation, where compliance with statutory procedures is mandatory.¹⁶

Unfair dismissal represents the most expansive category, incorporating elements of both procedural and substantive unfairness.¹⁷ The concept, developed extensively in British and South African labour law, has been progressively adopted by the NICN through the application of international best practices.¹⁸ Under this framework, dismissal may be unfair even where contractual procedures are technically complied with, if the decision lacks substantive justification or fails to meet standards of procedural fairness.¹⁹ The NICN has held that unfair dismissal constitutes an unfair labour practice, empowering the court to award appropriate remedies including compensation, reinstatement, or re-engagement.²⁰

Constitutional and Statutory Foundations

The legal framework governing remedies for unfair dismissal in Nigeria derives from multiple sources, creating a complex but increasingly protective environment for employees. The Constitution of the FRN 1999 (as amended) provides the foundational basis through several relevant provisions. Sec. 34 guarantees the right to the dignity of the human person, sec. 36 ensures the right to fair hearing, and sec. 42 prohibits discrimination on various grounds.²¹ Most significantly, sec. 254C establishes the NICN with exclusive jurisdiction over labour and employment matters, including the power to enforce fundamental rights relating to labour and employment.²²

The Third Alteration to the Constitution, effective from 4 March 2011, substantially expanded the NICN's jurisdiction, specifically empowering it to apply international conventions, treaties, and protocols relating to labour, employment, and industrial relations.²³ Sec. 254C(1)(f) mandates the court to apply international best practices in labour and employment matters, while sec. 254C(2) specifically authorises the application of international labour conventions, treaties, and protocols ratified by Nigeria.²⁴ These provisions have been instrumental in enabling the NICN to develop a robust jurisprudence on unfair dismissal that transcends the limitations of domestic statutory law.

The Labour Act remains the primary legislation governing employment relationships in Nigeria, though it has been criticized for its limited provisions on unfair dismissal.²⁵ The Act regulates notice periods, termination procedures, and redundancy processes but does not comprehensively address the concept of unfair dismissal as understood in modern labour law.²⁶ Section 11 provides for termination by notice, while sections 20 and 21 address redundancy procedures.²⁷ The Act's limitations have necessitated judicial creativity in developing protective standards through constitutional interpretation and the application of international norms.

The Employees' Compensation Act 2010 provides additional protections, establishing a framework for compensation in cases of workplace injuries and deaths, though its application to dismissal scenarios is limited.²⁸ The Pension Reform Act 2014 safeguards pension rights, which may be affected by dismissal,

¹⁵ *Shuaibu v Permanent Secretary, Ministry of Education* [1997] 4 NWLR (Pt. 497) 1.

¹⁶ *Olaniyan v University of Lagos* [1985] 2 NWLR (Pt. 9) 599.

¹⁷ *Godwin Okosi Omoudu v Aize Obayan and another* (unreported, NICN, per Adejumo J).

¹⁸ *Ebere Ukoji v Standard Alliance Life Assurance Co. Ltd* [2014] 47 NLLR (Pt. 154) 531.

¹⁹ *Duru v Skye Bank Plc* (unreported, NICN); *Aloysius v Diamond Bank Plc* (unreported, NICN).

²⁰ *Petroleum and Natural Gas Senior Staff Association of Nigeria v Mobil Producing Nigeria Unlimited* [2013] 32 NLLR (Pt. 91) 155.

²¹ CFRN, ss 34, 36, and 42.

²² *Ibid.*, s 254C.

²³ CFRN, (Third Alteration) Act 2010.

²⁴ CFRN, s 254C(1)(f) and (2).

²⁵ Labour Act, Cap L1, Laws of the Federation of Nigeria, 2004.

²⁶ *Ibid.*, ss 11, 20, and 21.

²⁷ *Ibid.*

²⁸ Employees' Compensation Act, 2010.

and recent NICN decisions have emphasised that employers cannot withhold pension entitlements as a punitive measure.²⁹

The Role of International Labour Standards

International labour standards have profoundly influenced the development of unfair dismissal law in Nigeria, particularly through the NICN's application of constitutional provisions mandating reference to international best practices.³⁰ While Nigeria has not ratified ILO Convention No. 158 concerning Termination of Employment, the NICN has applied its provisions as persuasive authority and as evidence of international best practices.³¹ Convention 158 establishes that employment shall not be terminated unless there is a valid reason connected with the capacity or conduct of the worker or based on the operational requirements of the undertaking, and requires that the employee be afforded an opportunity to contest the dismissal.³²

The NICN has also referenced other relevant ILO instruments, including the Occupational Safety and Health Convention, and its accompanying Recommendation, in determining whether workplace conditions justify constructive dismissal.³³ In *Abbey Iyobu Robert v Port Harcourt Electricity Distribution Plc*, the court explicitly applied ILO standards to hold that employers have a duty to ensure not only the provision of safety equipment but also that workers actually use such equipment.³⁴ This approach demonstrates the court's willingness to incorporate international standards into domestic labour jurisprudence.

3. Unfair Dismissal under Nigerian Law

Categories of Unfair Dismissal

Unfair dismissal under Nigerian law manifests in various forms, each attracting distinct legal consequences and remedies. The NICN has developed a comprehensive taxonomy of unfair dismissal through its jurisprudence, recognising that the traditional common law categories are insufficient to address contemporary workplace realities.

Wrongful Termination: Wrongful termination occurs when an employer terminates employment in breach of the contract of employment, either by failing to provide the required notice or by disregarding contractual procedural requirements.³⁵ The NICN has maintained that even in cases of wrongful termination, the court may award general damages beyond the traditional salary in lieu of notice where the circumstances warrant such compensation.³⁶ In *Lovell Osahon Ehigie v FBN*, the court awarded ₦20 million as general damages for wrongful dismissal and acts of unfair labour practice, significantly exceeding the traditional measure of damages.³⁷ Similarly, in *Mrs. Sharon Philip v Notore Chemical Industries Limited*, the court awarded ₦7.5 million as general damages for workplace victimisation and wrongful termination.³⁸ The measure of damages for wrongful termination has been a subject of significant judicial development. While traditional common law limited damages to the salary for the notice period, the NICN has progressively expanded this to include compensation for loss of reputation, emotional distress, and future employment prospects where the dismissal carries a stigma.³⁹ In *Sahara Energy Resources Limited v Oyebola*, the Court of Appeal endorsed the NICN's award of two years'

²⁹ *Shadrack M. Tenku v Nigerian Postal Service & Anor* (unreported, NICN/ABJ/373/2023, 3 October 2025).

³⁰ *Abbey Iyobu Robert v Port Harcourt Electricity Distribution Plc* (unreported, NICN/PHC/43/2024, 1 July 2025).

³¹ ILO Convention No. 158 concerning Termination of Employment, 1982.

³² *Ibid.*, Articles 4-6.

³³ *Abbey Iyobu Robert v Port Harcourt Electricity Distribution Plc*, n 30.

³⁴ *Ibid.*

³⁵ *Chukwuma v Shell Petroleum Development Co. of Nigeria Ltd*, (n9).

³⁶ *Emana Edet v Fidelity Bank Plc* (unreported, NICN/LA/276/2014, 17 December 2019).

³⁷ *Lovell Osahon Ehigie v First Bank of Nigeria*, n 7.

³⁸ *Mrs Sharon Philip v Notore Chemical Industries Limited* (unreported, NICN/YEN/56/2015, 29 July 2022).

³⁹ *Sahara Energy Resources Ltd v Mrs Olawunmi Oyebola* (2020) LPELR-51806 (CA).

salary as general damages, affirming the application of international best practices in assessing compensation for wrongful termination.⁴⁰

Unlawful Termination: Unlawful termination involves dismissal that violates statutory provisions or constitutional requirements, rendering the termination null and void.⁴¹ This category primarily applies to statutory employment relationships, such as public service appointments, where the enabling legislation prescribes specific procedures for termination.⁴² In such cases, failure to comply with statutory procedures results in the dismissal being unlawful, and the appropriate remedy is typically reinstatement with payment of arrears of salary.⁴³ The supreme court of Nigeria has consistently held that where employment has a statutory flavour, the employer must strictly comply with the statutory procedures, and any deviation renders the termination unlawful and void.⁴⁴ In *Olaniyan v University of Lagos*, the court established that statutory employment creates rights beyond the contractual relationship, and termination must comply with the enabling statute.⁴⁵ This principle has been applied in numerous cases involving civil servants, university staff, and employees of public corporations.⁴⁶

Constructive Dismissal: Constructive dismissal represents a significant development in Nigerian labour law, occurring when an employee resigns in response to the employer's conduct that makes continued employment intolerable.⁴⁷ The NICN has adopted the test established in *Western Excavating (ECC) Ltd v Sharp*, requiring that the employer's conduct constitute a fundamental breach of contract that makes it unreasonable to expect the employee to continue the employment relationship.⁴⁸ Recent NICN decisions have expanded the recognition of constructive dismissal in various contexts. In *Gabriel Odili v Digital Jewels Ltd*, the court held that the unilateral change of employment terms from a regular contract to a daily wage-paid contract constituted constructive dismissal.⁴⁹ Similarly, in *Dr. Abidemi Taofeek Adesanya v Police Health Maintenance Limited*, the non-payment of salaries for twenty-three months leading to termination was held to be an unfair labour practice amounting to constructive dismissal.⁵⁰ The court has also recognised that forced resignation under duress, such as in the presence of armed military escorts as in *Engr. Godwin Okpiavbe v Communication Clean Energy Technology*, constitutes constructive dismissal.⁵¹ The burden of proof in constructive dismissal claims rests on the employee, who must demonstrate that the resignation was involuntary and directly caused by the employer's conduct.⁵² In *Onyekwelu Chuks Nicodemus v Fidelity Bank Plc*, the court emphasised that the employee must provide specific evidence of the intolerable working conditions and cannot rely merely on general allegations of a toxic workplace.⁵³

Discriminatory Dismissal: Dismissal based on prohibited grounds such as pregnancy, race, religion, political opinion, or trade union membership constitutes unfair dismissal and may also violate constitutional guarantees of non-discrimination.⁵⁴ Sec. 129(2) of the Labour Act 2023 explicitly prohibits dismissal based on pregnancy, maternity leave, race, colour, sex, religion, political opinion,

⁴⁰ Ibid.

⁴¹ *Shuaibu v Permanent Secretary, Ministry of Education*, (n15).

⁴² *Olaniyan v University of Lagos*, (n16).

⁴³ *Iderima v R. SC.SC* (2005) 16 NWLR (Pt. 951) 378 (SC).

⁴⁴ Ibid.

⁴⁵ *Olaniyan v University of Lagos*, (n16).

⁴⁶ *Garba v University of Maiduguri* [1986] 1 NWLR (Pt. 18) 550.

⁴⁷ *Western Excavating (ECC) Ltd v Sharp* [1978] ICR 221.

⁴⁸ Ibid.

⁴⁹ *Gabriel Odili v Digital Jewels Ltd* (unreported, NICN/LA/18/2021, 2 October 2025).

⁵⁰ *Dr. Abidemi Taofeek Adesanya & Anor. v Police Health Maintenance Limited* (unreported, NICN/ABJ/37/2023, 23 May 2025).

⁵¹ *Engr. Godwin Okpiavbe v Communication Clean Energy Technology (CCETC) Oguwa Energy* (unreported, NICN/BEN/45/2022, 1 July 2025).

⁵² *Onyekwelu Chuks Nicodemus v Fidelity Bank Plc* (unreported, NICN, 12 December 2025).

⁵³ Ibid.

⁵⁴ CFRN, s 42.

national extraction, ethnic or social origin, HIV/AIDS status, or trade union activities.⁵⁵ The NICN has demonstrated increasing sensitivity to discriminatory dismissals, awarding substantial damages where such violations are established.⁵⁶ In *Miss Franca Onu Daniel v Primetech Security Equipment Co. Ltd*, the court granted declaratory relief and compensatory damages for the continued use of the claimant's personal biodata after termination, recognising this as a violation of the right to privacy under section 37 of the Constitution.⁵⁷

Procedural Requirements for Fair Dismissal

The NICN has developed detailed procedural requirements that employers must observe to ensure fair dismissal, drawing from constitutional fair hearing guarantees and international standards. Section 137 of the Labour Act 2023 codifies some of these requirements, mandating that before dismissing an employee, the employer must explain the reasons for the proposed dismissal and hear any representations from the employee.⁵⁸ The court has held that failure to provide an opportunity to defend against allegations of misconduct renders the dismissal procedurally unfair, even where substantive grounds exist.⁵⁹ In *Mr. Fatoba Olugbenga John v First Bank Nigeria Ltd*, the court set aside a dismissal where there was no evidence that the claimant was invited to a disciplinary committee or served with the dismissal letter, ordering payment of arrears of salary for eight years.⁶⁰ Similarly, in *Chalibeda B. Gonzuk v Agric Services Training Centre and Marketing Ltd*, the court held that vesting both investigatory and decision-making powers in the same body denied the claimant a fair hearing, rendering the dismissal unfair.⁶¹

4. Remedies for Unfair Dismissal

Reinstatement and Re-engagement: Reinstatement represents the most far-reaching remedy for unfair dismissal, restoring the employee to their former position as if the dismissal had never occurred.⁶² Traditionally, Nigerian courts were reluctant to grant reinstatement in private sector employment, following the common law principle that specific performance is not available for contracts of personal service.⁶³ However, the NICN has progressively expanded the availability of reinstatement, particularly in cases of unlawful termination and unfair labour practices.⁶⁴ For statutory employment, reinstatement remains the primary remedy for unlawful termination.⁶⁵ Where termination violates statutory procedures, courts routinely declare the dismissal null and void and order reinstatement with payment of all arrears of salary and benefits.⁶⁶ In *CBN v Igwilllo*, the Supreme Court affirmed the power to order reinstatement where employment was terminated in breach of statute.⁶⁷ Recent NICN decisions have continued this trend, with courts ordering reinstatement in cases involving public service employees whose appointments were terminated without due process.⁶⁸ The NICN has also ordered reinstatement in cases involving constructive dismissal and unfair labour practices, even where the employment relationship was purely contractual.⁶⁹ In *Private Etim Idorenyin Anthony v The Nigerian Army*, the court ordered reinstatement of a soldier who was dismissed without fair hearing, despite the military context

⁵⁵ Labour Act 2023, s 129(2).

⁵⁶ *Miss Franca Onu Daniel v Primetech Security Equipment Co. Ltd & Anor* (unreported, NICN/ABJ/368/2024, 17 October 2025).

⁵⁷ *Ibid.*

⁵⁸ Labour Act 2023, s 137.

⁵⁹ *Baba v NCATC* (1991) 5 NWLR (Pt. 192) 388.

⁶⁰ *Mr. Fatoba Olugbenga John v First Bank Nigeria Ltd* (unreported, NICN/IL/04/2019, 20 May 2025).

⁶¹ *Chalibeda B. Gonzuk v Agric Services Training Centre and Marketing Ltd* (unreported, NICN/JOS/20/2023, 2 October 2025).

⁶² *Olaniyan v University of Lagos*, (n16).

⁶³ *Addis v Gramophone Co. Ltd* [1909] AC 488.

⁶⁴ *Private Etim Idorenyin Anthony v The Nigerian Army* (unreported, NICN/ABJ/350/2022, 5 June 2025).

⁶⁵ *Shuaibu v Permanent Secretary, Ministry of Education*, (n15).

⁶⁶ *Alhassan Liman v Niger State Civil Service Commission* (unreported, NICN/MN/73/2024, 26 March 2026).

⁶⁷ *CBN v Igwilllo* (2007) LPELR-835.

⁶⁸ *Alhassan Liman v Niger State Civil Service Commission*, (n66).

⁶⁹ *Private Etim Idorenyin Anthony v The Nigerian Army*, (n64).

of the employment.⁷⁰ This decision demonstrates the court's willingness to apply fair hearing requirements rigorously across all employment sectors.

Re-engagement, distinct from reinstatement, involves offering the employee a comparable position rather than the exact former role.⁷¹ This remedy provides flexibility where the former position no longer exists or where reinstatement would be impractical.⁷² The Labour Act 2023 specifically provides for re-engagement as an alternative to reinstatement in redundancy situations, requiring employers to offer suitable alternative employment where possible.⁷³

Damages: Damages represent the most common remedy for unfair dismissal and have undergone substantial expansion in recent Nigerian jurisprudence. The NICN now recognises several categories of damages, each serving distinct compensatory and deterrent functions.

General Damages: General damages compensate for non-pecuniary losses including injury to reputation, emotional distress, and loss of career prospects.⁷⁴ The traditional common law position, which limited damages to salary in lieu of notice, has been decisively rejected by the NICN.⁷⁵ In *Emana Edet v Fidelity Bank Plc*, the court distinguished between damages for wrongful termination and damages for associated malpractices such as injurious falsehood, applying the *maxim ubi jus, ibi remedium* (where there is a right, there is a remedy).⁷⁶ The court has awarded general damages for various forms of unfair labour practices accompanying dismissal.⁷⁷ In *Lucia Balonwu v Voluntary Service Overseas (VSO) International*, the NICN held that once constructive dismissal is established, the claimant is entitled to general damages.⁷⁸ The assessment of general damages considers factors including the manner of dismissal, the stigma attached to the dismissal, the employee's length of service, and the difficulty of securing alternative employment.⁷⁹

Special Damages: Special damages compensate for quantifiable financial losses resulting from the dismissal, including accrued salaries, benefits, and other entitlements.⁸⁰ The employee must specifically prove these losses, and they are calculated based on the contract terms and statutory entitlements.⁸¹ In *Onuhikemi v Smridu Nigeria Limited*, the NICN awarded specific damages including twenty-four months' salary, payment in lieu of notice, and costs.⁸²

Exemplary and Punitive Damages: The award of exemplary damages represents the most significant development in Nigerian unfair dismissal remedies. These damages are intended to punish the employer for egregious conduct and deter similar behaviour in the future.⁸³ In *Mr. Abdul-Hakeem A. Olasewere v Airtel Networks Limited*, the NICN awarded ₦100 million as exemplary damages for wrongful termination, in addition to ₦60 million general damages, marking a watershed in the court's approach to employer accountability.⁸⁴ The court has awarded exemplary damages for various forms of employer misconduct, including prolonged suspension without pay, withholding of salaries for extended periods,

⁷⁰ *Ibid.*

⁷¹ Labour Act 2023, s 140(2)(a).

⁷² *Ibid.*

⁷³ *Ibid.*, s 141.

⁷⁴ *Lucia Balonwu v Voluntary Service Overseas (VSO) International* (unreported, NICN/ABJ/280/2018, 22 July 2020).

⁷⁵ *Emana Edet v Fidelity Bank Plc*, (n36).

⁷⁶ *Ibid.*

⁷⁷ *Onuhikemi v Smridu Nigeria Limited* (unreported, NICN/LA/265/2015, 15 July 2016).

⁷⁸ *Lucia Balonwu v Voluntary Service Overseas (VSO) International*, (n74).

⁷⁹ *Sahara Energy Resources Ltd v Mrs Olawunmi Oyebola*, (n39).

⁸⁰ *Onuhikemi v Smridu Nigeria Limited*, (n77).

⁸¹ *Ibid.*

⁸² *Ibid.*

⁸³ *Mr. Abdul-Hakeem A. Olasewere v Airtel Networks Limited* (unreported, NICN).

⁸⁴ *Ibid.*

and oppressive treatment of employees.⁸⁵ In *Mrs. Liatu Daniel v Abubakar Tafawa Balewa University Teaching Hospital Bauchi*, the court awarded ₦10 million as exemplary damages for ill-treatment and injustice suffered by the claimant from 2011 to 2025, reflecting the court's commitment to compensating employees for damages beyond mere salary in lieu of notice.⁸⁶

Assessment of Damages: The assessment of damages for unfair dismissal involves consideration of multiple factors, including the employee's reasonable expectation of continued employment, opportunities for securing alternative employment, the value of contractual benefits that would have accrued, and the value of statutory rights including pension entitlements.⁸⁷ Sec. 140(5) of the Labour Act 2023 provides a statutory framework for assessing compensation, requiring the tribunal to consider the loss sustained by the employee, the extent to which the employee contributed to the dismissal, and various other factors including reasonable expectations of continued employment and the value of accrued benefits.⁸⁸

Declaratory Reliefs: Declaratory reliefs play a crucial role in unfair dismissal cases, particularly where the employee seeks vindication of their rights rather than monetary compensation.⁸⁹ The NICN has granted declarations that dismissals are unlawful, null and void, and that employment relationships remain subsisting.⁹⁰ These declarations have significant practical consequences, entitling employees to restoration of all employment benefits and protections.⁹¹ In *Alhassan Liman v Niger State Civil Service Commission*, the court declared that the claimant's employment remained valid and subsisting, and that the withholding of salaries was illegal and unconstitutional, ordering payment of all withheld salaries from 2020 to 2024 plus interest.⁹² Similarly, in *Shadrack M. Tenku v Nigerian Postal Service*, the court declared that withholding pension rights was unconstitutional and ordered immediate restoration of pension entitlements.⁹³

Interim Relief: Interim relief, including injunctions to restrain dismissal pending determination of the substantive case, represents an important procedural remedy.⁹⁴ The NICN has granted interim injunctions where there is a *prima facie* case of unlawful dismissal and the balance of convenience favours maintaining the status quo.⁹⁵ This remedy is particularly important in preventing irreparable harm where dismissal would result in immediate loss of livelihood and benefits.⁹⁶

Alternative Dispute Resolution

The NICN has established an ADR Centre to facilitate settlement of employment disputes including wrongful dismissal claims.⁹⁷ The National Industrial Court (ADR) Centre Instrument 2015 provides for mediation and conciliation of employment disputes, offering parties an opportunity to resolve matters without protracted litigation.⁹⁸ The Trade Disputes Act also contains provisions for arbitration of trade disputes, though the NICN has held that employment disputes are not subject to the Arbitration and Mediation Act.⁹⁹

⁸⁵ *Mrs Liatu Daniel v Abubakar Tafawa Balewa University Teaching Hospital Bauchi* (unreported, NICN/BAU/22/2017, 12 February 2025).

⁸⁶ *Ibid.*

⁸⁷ Labour Act 2023, s 140(5).

⁸⁸ *Ibid.*

⁸⁹ *Alhassan Liman v Niger State Civil Service Commission*, n 66.

⁹⁰ *Ibid.*

⁹¹ *Ibid.*

⁹² *Ibid.*

⁹³ *Shadrack M. Tenku v Nigerian Postal Service & Anor*, (n29).

⁹⁴ *Anthonia Chiebonam Ekwo v INEC* (unreported, NICN/EN/04/2024, 15 May 2025).

⁹⁵ *Ibid.*

⁹⁶ *Ibid.*

⁹⁷ National Industrial Court (Alternative Dispute Resolution) Centre Instrument 2015.

⁹⁸ *Ibid.*

⁹⁹ *Giuseppe Francesco E. Ravelli v Digitsteel integrated Services Limited* (unreported, NICN/LA/599/2016, 16 February 2018).

5. Challenges and Prospects

Challenges

Persistent Challenges in Remedy Enforcement: Despite significant judicial developments, several challenges persist in the enforcement of remedies for unfair dismissal in Nigeria. These challenges limit the effectiveness of legal protections and undermine the realisation of substantive justice for aggrieved employees.

Limited Coverage of Labour Legislation: The Labour Act's application is restricted to workers in the formal sector, excluding the vast majority of Nigerian workers employed in the informal economy.¹⁰⁰ This exclusion leaves millions of workers without statutory protection against unfair dismissal, forcing them to rely solely on common law contractual remedies that offer limited compensation.¹⁰¹ The absence of comprehensive legislation covering all categories of workers represents a significant gap in Nigeria's labour protection framework.¹⁰²

Inconsistent Judicial Approaches: While the NICN has generally adopted a progressive approach to unfair dismissal remedies, inconsistencies persist in the application of legal principles across different judicial divisions.¹⁰³ The distinction between wrongful and unlawful termination remains blurred in some decisions, leading to uncertainty regarding the appropriate remedies.¹⁰⁴ Additionally, the Supreme Court has not always aligned with the NICN's expansive interpretation of labour rights, creating potential conflicts in appellate decisions.¹⁰⁵

Procedural Delays: The duration of litigation in unfair dismissal cases often undermines the effectiveness of remedies, as employees may remain without income for years while cases are pending.¹⁰⁶ Although the NICN has prioritised employment disputes, procedural delays continue to pose significant challenges, particularly in complex cases requiring extensive evidence.¹⁰⁷

Enforcement Difficulties: Even where favourable judgments are obtained, enforcement remains problematic, with some employers failing to comply with court orders for reinstatement or payment of damages.¹⁰⁸ The NICN has powers to enforce its judgments, but practical challenges including employer insolvency and asset concealment limit effective enforcement.¹⁰⁹

Prospects

Despite these challenges, several developments offer prospects for strengthening remedies for unfair dismissal in Nigeria.

Legislative Reform Initiatives: The Labour Act 2023 amendments represent a significant step toward modernising Nigeria's employment law framework.¹¹⁰ The amendments introduce specific provisions on unfair dismissal, constructive dismissal, and detailed procedural requirements for termination, bringing Nigerian law closer to international standards.¹¹¹ Section 129 explicitly prohibits dismissal based on prohibited grounds, while section 140 provides a comprehensive framework for remedies including reinstatement, re-engagement, and compensation.¹¹²

¹⁰⁰ Akinola and Nzom and Moses, (n6) at 112.

¹⁰¹ Ibid.

¹⁰² Ibid.

¹⁰³ Ibid., 108.

¹⁰⁴ Ibid., 83.

¹⁰⁵ *Chiazor v Union Bank of Nigeria* (1976) 2 SC 31.

¹⁰⁶ Akinola and Nzom and Moses, (n6) at 112.

¹⁰⁷ Ibid.

¹⁰⁸ Ibid.

¹⁰⁹ Ibid.

¹¹⁰ Labour Act 2023.

¹¹¹ Ibid., ss 129-140.

¹¹² Ibid.

Judicial Activism and International Standards: The NICN's continued engagement with international labour standards offers prospects for further development of unfair dismissal remedies.¹¹³ The court's willingness to apply ILO conventions as international best practices, even where Nigeria has not ratified them, provides a mechanism for progressive development of domestic law.¹¹⁴ Recent decisions applying the Occupational Safety and Health Convention and other ILO instruments demonstrate this potential.¹¹⁵

Expanded Remedial Framework: The expansion of available remedies, including the recognition of exemplary damages and the willingness to order reinstatement beyond statutory employment, represents significant progress.¹¹⁶ These developments align Nigerian law with international best practices and provide meaningful deterrence against arbitrary dismissals.¹¹⁷

Institutional Strengthening: The establishment of the NICN ADR Centre and the increasing use of mediation and conciliation offer prospects for more efficient resolution of unfair dismissal disputes.¹¹⁸ Strengthening these alternative mechanisms could reduce the burden on the court system and provide faster resolution for aggrieved employees.¹¹⁹

6. Conclusion and Recommendations

This paper has examined the remedies available for unfair dismissal under Nigerian labour law, demonstrating the significant evolution from common law contractual principles to a more comprehensive framework incorporating constitutional guarantees, statutory protections, and international labour standards. The analysis reveals that the NICN has played a pivotal role in developing this framework through progressive interpretation of its constitutional mandate to apply international best practices. The conceptual distinctions between wrongful termination, unlawful termination, and unfair dismissal determine the available remedies, with unfair dismissal attracting the broadest range of reliefs including reinstatement, re-engagement, general damages, exemplary damages, and declaratory reliefs. The NICN has expanded the traditional common law limitations on damages, now awarding substantial general damages for injury to reputation and emotional distress, and exemplary damages for egregious employer misconduct. Recent legislative amendments, particularly the Labour Act 2023, have codified many of these developments, introducing specific provisions on unfair dismissal, constructive dismissal, and detailed procedural requirements. However, significant gaps remain, particularly regarding coverage of informal sector workers and the need for clearer statutory frameworks.

The structure of remedies for unfair dismissal in Nigeria has undergone substantial transformation, reflecting a shift from the rigid common law master and servant doctrine toward a more equitable framework that recognises the dignity of labour and the need for procedural fairness. The NICN's jurisprudence demonstrates a commitment to international best practices and the protection of workers' rights, while recent legislative amendments provide a statutory foundation for continued development. However, the effectiveness of these remedies remains constrained by limited coverage of labour legislation, inconsistent judicial approaches, procedural delays, and enforcement difficulties. Addressing these challenges requires comprehensive legislative reform, institutional strengthening, and continued judicial commitment to progressive interpretation of labour rights.

Based on the analysis presented in this paper, the following recommendations are proposed for strengthening remedies for unfair dismissal under Nigerian labour law:

¹¹³ *Abbey Iyobu Robert v Port Harcourt Electricity Distribution Plc*, n 30.

¹¹⁴ *Ibid.*

¹¹⁵ *Ibid.*

¹¹⁶ *Mr. Abdul-Hakeem A. Olasewere v Airtel Networks Limited*, n 83.

¹¹⁷ *Ibid.*

¹¹⁸ National Industrial Court (Alternative Dispute Resolution) Centre Instrument 2015.

¹¹⁹ *Ibid.*

Legislative Reform: National Assembly should enact comprehensive unfair dismissal legislation that clearly distinguishes between wrongful termination, unlawful termination, and unfair dismissal, establishing distinct remedial frameworks for each category. This legislation should codify the NICN's jurisprudence on constructive dismissal, discriminatory dismissal, and procedural fairness requirements, providing clear guidance for employers and employees alike. The Labour Act should be amended to extend coverage to informal sector workers, recognising the reality that the majority of Nigerian workers operate outside formal employment relationships. This extension should include minimum standards for termination notice, procedural fairness, and basic remedies for arbitrary dismissal. Statutory provisions should establish clear time limits for unfair dismissal claims that balance the need for prompt resolution with the realities of access to justice, potentially adopting the flexible approach developed by the NICN in *Anthonia Chiebonam Ekwo v INEC* regarding the application of the Public Officers Protection Act.

Institutional Strengthening: The NICN should be further strengthened through increased judicial appointments, enhanced facilities, and specialised training for judges in international labour standards and comparative employment law. This strengthening would enable the court to handle the increasing volume of unfair dismissal cases more efficiently and consistently. The NICN ADR Centre should be expanded and adequately resourced to provide effective mediation and conciliation services for unfair dismissal disputes, reducing the burden on the court system and providing faster resolution for parties.

Procedural Reforms: Rules of court should be amended to provide for expedited hearing of unfair dismissal cases, recognising the urgent nature of employment disputes and the need for swift resolution to prevent irreparable harm to affected employees. Mechanisms for interim relief should be strengthened, enabling employees to obtain injunctions restraining dismissal pending determination of substantive claims where there is a prima facie case of unlawful termination.

Enhanced Remedies: Legislation should explicitly provide for exemplary damages in cases of egregious employer misconduct, codifying the NICN's jurisprudence and establishing clear criteria for such awards to ensure consistency and predictability. Statutory provisions should mandate reinstatement as the primary remedy for unfair dismissal, with compensation available only where reinstatement is impractical or where the employee prefers compensation, aligning Nigerian law with ILO Convention 158 and the South African model.

Awareness and Enforcement: The Ministry of Labour and Employment should undertake comprehensive awareness campaigns to educate workers and employers about rights and obligations regarding dismissal, promoting compliance and reducing disputes. Enforcement mechanisms should be strengthened, including provisions for contempt proceedings against employers who fail to comply with court orders for reinstatement or payment of damages.

Ratification of International Conventions: Nigeria should ratify ILO Convention No. 158 concerning Termination of Employment, providing a clear international legal framework for domestic legislation and demonstrating commitment to international labour standards. This ratification would provide additional legitimacy to the NICN's application of international best practices and align Nigerian law with globally recognised standards.

While significant progress has been made in developing remedies for unfair dismissal under Nigerian labour law, continued reform is essential to ensure effective protection for all workers. The combination of legislative reform, institutional strengthening, and judicial commitment to international standards offers the prospect of a comprehensive framework that balances employer prerogatives with employee security, contributing to industrial peace and social justice in Nigeria.