

COVER PAGE

**CRITICAL ANALYSIS OF THE LEGAL AND INSTITUTIONAL FRAMEWORKS
GOVERNING CONTRACT OF EMPLOYMENT IN NIGERIA**

OBI CHIMWETARA TOBYE

GOU/U21/LAW/366

JULY 2026

TITLE PAGE

**CRITICAL ANALYSIS OF THE LEGAL AND INSTITUTIONAL FRAMEWORKS
GOVERNING CONTRACT OF EMPLOYMENT IN NIGERIA**

OBI CHIMWETARA TOBYE

GOU/U21/LAW/366

**BEING A LONG ESSAY PRESENTED TO THE FACULTY OF LAW, GODFREY
OKOYE UNIVERSITY, ENUGU STATE, IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD FO THE BACHELOR OF LAW (LL.B) DEGREE**

SUPERVISOR: DR NKOLO CYRIL

JULY 2026

DECLARATION

I, Obi Chimwetara Tobye, with the Registration Number GOU/U21/Law/366, hereby affirm that this work was duly and diligently carried out by me. The primary and secondary sources used to carry out this legal research, are acknowledged appropriately and referenced herein, within this project. This work is an original and has not been submitted in part or in full for the award of any degree in this or any other Faculty of Law within and outside Nigeria.

Obi Chimwetara Tobye
GOU/U21/Law/366

Date

APPROVAL PAGE

I, Obi Chimwetara Tobbye, with Registration Number GOU/U21/Law/366, hereby certify that this project research was done by me, with the direct and diligent supervision of Dr Nkolo Cyril, has been approved by the administrative and academic staff of the Faculty of Law, Godfrey Okoye University, Enugu. In partial fulfilment of the requirement for the award of Bachelor of Law (LL. B) Degree.

Apart from the references made and acknowledged herein within this research work, this research work is an original work and has not been presented in part or in full, for any degree of this University or any other University.

Dr Nkolo Cyril.

Project Supervisor

Date

Dr. G.O Omeh

(Ag. Dean, Faculty of Law)

Date

External Examiner

Date

DEDICATION

To my family, my day one support system and ultimate motivation, and to everyone who believes in the life changing power of knowledge.

ACKNOWLEDGEMENTS

Completing this final year project is a milestone that would not have been possible without the support of an incredible community of mentors, family, and friends.

I am incredibly grateful to my supervisor, Dr Nkolo Cyril, not just for their academic supervision, but for their genuine encouragement and for challenging me to think critically. Thank you for your time and dedication.

Words are insufficient to thank my parents. Your prayers have been my shield, and your sacrifices are the reason I stand here today. Thank you for always being my safe space

A very special thank you goes to my older sister, who has been an absolute pillar of strength for me. Thank you for standing by me and supporting me with absolutely anything and everything I needed throughout this journey.

To my amazing friends, who doubled as study partners and sanity checks during intense exam periods and late-night studying sessions thank you for helping me get through my endless headaches, and for constantly giving me reasons to laugh when I really needed it the most. Your shared stress, laughs, and constant push kept me going.

Above all, I thank God for the strength to endure, the wisdom to learn, and the grace to cross the finish line.

TABLE OF CONTENT

TITLE PAGE.....	i
DECLARATION	ii
APPROVAL PAGE	iii
DEDICATION.....	iv
ACKNOWLEDGEMENTS.....	v
LIST OF CASES.....	ix
LIST OF STATUTES, TREATIES AND OTHER INTERNATIONAL INSTRUMENTS	x
LIST OF ABBREVIATIONS.....	xi
ABSTRACT.....	xii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background to the Study.....	1
1.2 Statement of the Problem.....	2
1.3 Research Questions.....	4
1.4 Aim and Objectives of the Research.....	5
1.5 Research Methodology	5
1.6 Scope and Limitation of the Study.....	6
1.7 Significance of the Study	6
1.8 Literature Review.....	7
1.8.1 The statutory architecture of Contracts of Service in Nigeria.....	7
1.8.2 Institutional governance of employment contracts through NICN	8
1.8.3 Termination of Employment and Remedies.	9
1.8.4 Modern labour markets and traditional legal categories.	11
CHAPTER TWO CONCEPTUAL AND THEORETICAL FRAMEWORK.....	14
2.1 Conceptual Framework.....	14
2.1.1 Meaning of Employment	14
2.1.2 Definition of a Contract	15
2.1.3 Definition of Contract of Employment	16
2.1.4 Formation of Contract of Employment.....	17
2.1.5 Types of Contract of Employment in Nigeria.....	21
2.2 Theoretical Framework.....	25
2.2.1 Natural Law Theory	25

2.2.2	Legal Positivism.....	26
2.2.3	Legal Realism	27
2.2.4	Sociological Jurisprudence	28
CHAPTER THREE THE LEGISLATIVE AND INSTITUTIONAL FRAMEWORK GOVERNING CONTRACT OF EMPLOYMENT IN NIGERIA		
3.1	Core Municipal Legislation Governing Contract of Employment in Nigeria.....	30
3.1.1	The Constitution of the Federal Republic of Nigeria 1999 (as amended).....	30
3.1.2	The Labour Act, Cap L1 LFN 2004.....	31
3.1.3	The Employees' Compensation Act 2010.....	31
3.1.4	The Pension Reform Act 2014.....	32
3.2	Core International Legislations Governing Contract of Employment in Nigeria	33
3.2.1	Core ILO Conventions Ratified by Nigeria	33
3.2.2	International Covenant on Economic, Social and Cultural Rights (ICESCR)	33
3.2.3	African Charter on Human and Peoples' Rights.....	33
3.2.4	ECOWAS Treaty and Protocols on Free Movement and Labour Rights.....	34
3.3	Core Municipal Institutions Governing Contract of Employment in Nigeria.....	34
3.3.1	Federal Ministry of Labour and Employment.....	34
3.3.2	The National Industrial Court of Nigeria (NICN).....	34
3.3.3	The Industrial Arbitration Panel (IAP)	35
3.3.4	Nigeria Social Insurance Trust Fund (NSITF).....	35
3.3.5	National Pension Commission (PenCom).....	35
3.4	Core International Institutions Governing Contract of Employment in Nigeria.....	36
3.4.1	International Labour Organization (ILO).....	36
3.4.2	Committee on Economic, Social and Cultural Rights (CESCR)	36
3.4.3	African Commission on Human and Peoples' Rights.....	37
3.4.4	ECOWAS Community Court of Justice	37
CHAPTER FOUR		
4.1	Strengths of the Legislative and Institutional Framework Governing Contracts of Employment in Nigeria.....	39
4.1.1	Constitutional and Statutory Recognition of Employment Rights.....	39
4.1.2	Institutional Mechanisms for Labour Dispute Resolution	40
4.1.3	Incorporation of International Labour Standards	41
4.1.4	Protection of Specific Categories of Workers.....	42
4.2	Limitations of the Legislative and Institutional Framework Governing Contracts of Employment in Nigeria.....	43
4.2.1	Outdated and Narrow Scope of the Labour Act.....	43

4.2.3	Weak Enforcement and Institutional Constraints	44
4.2.4	Regulatory Gaps in Relation to Informalisation and New Forms of Work.....	45
4.2.5	Limited Protection for Vulnerable Workers	45
CHAPTER FIVE		47
SUMMARY OF FINDINGS, RECOMMENDATIONS CONCLUSION		47
5.1	Summary of Findings.....	47
5.2	Recommendations.....	49
BIBLIOGRAPHY		53

LIST OF CASES

A.B.U., Zaria & Anor v Idenyi [2024] LPELR-61760(CA)	24
Abimbola George & Ors v Dominion Flour Mills Ltd [1963] 1 SCNLR 117	21
Adedapo Mokuolu v Incar (Nigeria) Ltd [1971] NCLR 339	18
Akpasen Ekong Akpan v ECM Terminals Limited NICN/CA/52/2023	22
Akudigwe v Attorney-General, Anambra State [2020] LCN/14370(CA)	16
Anyalemechi Emmanuel Chukwukadibia v Blowfish Limited NICN/LA/252/2018	20
Bamgboye v University of Ilorin (1999) 10 NWLR (Pt 622) 290	24
Central Bank of Nigeria v Mrs Agnes M. Igwilllo [2007] 14 NWLR (Pt 1054) 393 (SC) 19	
Dr Mrs Regina Eze v Federal Polytechnic Oko & Ors Suit No NICN/EN/13/2025	41
Ekeremor Local Government Council v Omie [2022] 5 NWLR (Pt 1824) 85 (SC)	21
Federal Capital Development Authority v Alhaji Musa Naibi [1990] 3 NWLR (Pt 138) 270 (SC)	18
Federal Republic of Nigeria v Academic Staff Union of Universities NICN/ABJ/270/2022	34, 40
Godfrey Isievwore v National Electric Power Authority (2002) 13 NWLR (Pt 784)	22
Joseph Uchechukwu Metu v Genesi Foods Nigeria Limited Suit No NICN/PHC/62/2023	46
Mr Amahian Idoni George v Technoglass Industries Ltd Suit No NICN/LA/213/2021	44
Mr Fashina Idowu v Sparkwest Steel Industries Limited & Ors Suit No NICN/IB/18/2023	39
National Pension Commission v Exclusive Stores Ltd Suit No NICN/ABJ/385/2019	32, 36, 42, 44
NIIA v Ayanfalu [2007] 2 NWLR (Pt 1018) 246 (CA)	21
Oladapo Olatunji & Anor v Uber Technologies System Nigeria Ltd & 2 Ors NICN/LA/546/2017	15
Olaniyan v University of Lagos [1985] 2 NWLR (Pt 9) 599 (SC)	23, 43
Shena Security Co Ltd v Afropak (Nig.) Ltd & 2 Ors [2008] 18 NWLR (Pt 1118) 77 (SC)	14, 17, 19, 20, 43, 45
Shitta-bey v FPSC [1981] LPELR-3056(SC)	24
Solomon Adenubi & 14 Ors v Sterling Oil Exploration & Energy Production Company Ltd & 7 Ors Suit No NICN/LA/403/2021	40, 41
The Rector, Kwara State Polytechnic & Ors v Mr Ola Adefila & Ors [2006] LCN/2111(CA)	19
West Construction Company Ltd v Santos M. Batalha [2006] 9 NWLR (Pt 986) 595 (SC)	18

LIST OF STATUTES, TREATIES AND OTHER INTERNATIONAL INSTRUMENTS

African Charter on Human and Peoples’ Rights	33, 37, 47
African Charter on Human and Peoples’ Rights (Ratification and Enforcement) Act	33
Constitution of the Federal Republic of Nigeria 1999 (as amended)	1, 30, 35, 39, 41, 48
ECOWAS Protocol Relating to Free Movement of Persons, Residence and Establishment 1979	34
ECOWAS Revised Treaty 1993	34
Employees’ Compensation Act 2010	31, 35, 42, 47
International Covenant on Economic, Social and Cultural Rights 1966	33, 36, 47
International Labour Organization Conventions	33, 41
Labour Act, Cap L1, Laws of the Federation of Nigeria 2004	1, 4, 7, 8, 11, 12, 14, 16, 17, 20, 22, 31, 43, 47, 49, 54, 55
National Industrial Court Act	12
National Minimum Wage (Amendment) Act 2024	39, 40, 44, 47
Pension Reform Act 2014	32, 35, 36, 42, 44, 47, 48
Public Service Rules	24
Trade Disputes Act, Cap T8, Laws of the Federation of Nigeria 2004	34, 35, 40, 41, 47, 48
Trade Unions Act	47
ACHPR Resolution ACHPR.Res.584 (LXXVIII) 2024	37

LIST OF ABBREVIATIONS

ACHPR	African Commission on Human and Peoples' Rights
ADR	Alternative Dispute Resolution
AG	Attorney-General
AJIEEL	African Journal of Energy and Environmental Law
ASUU	Academic Staff Union of Universities
CA	Court of Appeal
CESCR	Committee on Economic, Social and Cultural Rights
CFRN	Constitution of the Federal Republic of Nigeria
DWCP	Decent Work Country Programme
ECA	Employees' Compensation Act
ECOWAS	Economic Community of West African States
FCT	Federal Capital Territory
FRN	Federal Republic of Nigeria
IAP	Industrial Arbitration Panel
ICESCR	International Covenant on Economic, Social and Cultural Rights
IJRISS	International Journal of Research and Innovation in Social Science
ILO	International Labour Organization
LCN	LawCareNigeria
LFN	Laws of the Federation of Nigeria
LL.B	Bachelor of Laws
LPELR	Law Pavilion Electronic Law Report
NAU.JCPL	Nnamdi Azikiwe University Journal of Commercial and Property Law
NAU.JCPL	Nnamdi Azikiwe University Journal of Commercial and Property Law
NICN	National Industrial Court of Nigeria
NICN	National Industrial Court of Nigeria
NIIA	Nigerian Institute of International Affairs
NLC	Nigeria Labour Congress
NSITF	Nigeria Social Insurance Trust Fund
NWLR	Nigerian Weekly Law Reports
PenCom	National Pension Commission
PRA	Pension Reform Act
SC	Supreme Court
SCNLR	Supreme Court of Nigeria Law Reports
SSRN	Social Science Research Network
TDA	Trade Disputes Act
TUC	Trade Union Congress
UCC	University of Calabar
ULJ	UNIZIK Law Journal
UNIZIK	Nnamdi Azikiwe University

ABSTRACT

Employment remains one of the most significant legal relationships in modern society because it defines the rights, duties and obligations between employers and employees. In Nigeria, the contract of employment operates within a labour market which is marked by unemployment, unequal bargaining power, casualisation, outsourcing and platform-based employment. Although Nigeria has laws and institutions which regulate the relationships of employment, however, there remain questions as to whether the existing framework protects employees as well as ensure certainty for employers. Therefore, this study examines the legal and institutional framework governing contracts of employment in Nigeria. The study adopts a doctrinal methodology. It relies on legal sources such as the Constitution of the Federal Republic of Nigeria 1999 (as amended), the Labour Act, the Employees' Compensation Act 2010, the Pension Reform Act 2014, the National Minimum Wage legislation, the Trade Disputes Act, judicial authorities and institutional instruments. It also relies on secondary materials including textbooks, journal articles, policy documents and reports from institutions. This study found that Nigeria has an extensive legislation and institutions which govern the contracts of employment. This framework includes municipal and international legal instruments, as well as institutions such as the Federal Ministry of Labour and Employment, the National Industrial Court of Nigeria, the Industrial Arbitration Panel, the Nigeria Social Insurance Trust Fund, PenCom, trade unions and international labour bodies. In addition, this study found that the framework has notable strengths, including labour rights are recognised in the constitution, specialised labour adjudication through the NICN, statutory protection for wages, pension and workplace injury, and influence of international labour standards. However, the study also finds that the framework is fragmented, outdated, enforced weakly and inadequate for the forms of work in recent times. This study concludes that Nigeria must reform its laws employment, strengthen labour institutions, modernise the Labour Act, improve mechanisms for enforcement and extend protection to vulnerable and non-standard workers.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Employment is one of the most common legal relationships in modern society. This is because it is the primary channel through which individuals earn a living and through which organisations access labour to produce goods and services. In Nigeria, the employment is not merely a private bargain between two parties; it has public implications.¹ When the terms of work are unfair or unclear, the consequences ripple outward. At the core of the employment relationship is the contract of employment. In practice, many disputes in Nigeria arise not because employment contracts do not exist, but they arise because the contract terms are unclear or inconsistent with statutory protections. Moreover, Bargaining power is usually unequal given that there is widespread unemployment and underemployment in Nigeria. Many workers accept terms they do not fully understand or cannot realistically negotiate.²

Employment in Nigeria is regulated through a mixed framework of constitutional provisions, statutes, subsidiary regulations, collective agreements, common law principles, and judicial decisions. This has also shaped the landscape of enforcement in Nigeria.³ Crucially, it grants the National Industrial Court of Nigeria (NICN) specialised jurisdiction over labour and employment matters. Hence, the court is a central institution in developing and interpreting employment rights and obligations.⁴ The Labour Act is the principal legislation on employment. Moreover, employment in Nigeria is also influenced by international labour

¹ A Sanni, Introduction to Nigerian Labour Law (3rd edn, Lagos: University of Lagos Press 2021)

² *ibid*

³ O Oggunniyi (2021) *Nigerian Labour and Employment Law in Perspective* (Lagos: Folio Publishers Ltd).

⁴ Constitution of the Federal Republic of Nigeria (as amended) 1999; This was introduced by the Third Alteration Act 2010.

standards. However, these are not directly enforceable unless domesticated. Evidently, Nigeria has a multi source structure and this means that the “law governing employment” in Nigeria is not a single coherent code but an interconnected system. Beyond legal rules, the institutional framework is equally decisive. Regulation and enforcement in employment law are not achieved by statutes alone; they depend on institutions. This includes federal ministries, labour inspectorates, dispute resolution bodies, trade unions, employer associations, compensation and pension regulators, and the NICN.

The labour market in Nigeria is evolving. The employment relationship in Nigeria increasingly includes casual work, outsourcing, contract staffing, fixed-term engagements, platform/gig work, and informal arrangements that do not fit neatly into older statutory categories. Many workers function in conditions that resemble employment. (they work under control and direction and they are economically dependent on one employer).

Accordingly, this study is situated within a broader legal and socio-economic context. In Nigeria, there is need for decent work, investment-friendly labour regulation, stable industrial relations, and enforceable contractual standards. Employers require clarity and predictability in order to plan workforce costs as well as manage performance. Employees require protection from unfair practices. In addition, they need reliable remedies when rights are violated. The state also requires industrial stability and compliance with international labour expectations. The background therefore reveals that there is an urgent need to critically examine legal and institutional framework governing contract of employment in Nigeria.

1.2 Statement of the Problem

In Nigeria, there are multiple laws and institutions regulating contracts of employment. However, numerous issues persist. The problem is not simply that employers breach contracts or that employees litigate. The deeper issue is that legal and institutional framework governing

contracts of employment are not efficient. This undermines both protection of employee protection and the predictability of employer. Firstly, the legal regime is fragmented and complex.⁵ Regulations are spread across numerous sources. Each source addresses particular needs. However, the overall framework becomes disjointed to both employees and employers. Hence, it would be difficult to determine which rules apply to a particular employment relationship. Secondly, most statute are outdated. Some core legislation was designed around traditional employer–employee relationships, typically formal and easily identifiable. However, current labour market in Nigeria includes large numbers of workers operating in informal settings or under atypical arrangements. The statutory concept of “worker” in some legal instruments has historically been narrow. Practically, many persons who depend on work for livelihood may fall outside effective protections or face difficulties when proving entitlement.

Thirdly, remedies for employment wrongs are weak and inconsistent. Employment legislations has long been shaped by common law doctrines. This creates dualism in regulation. Master-servant relationship may be terminated without notice. Moreso, employees may not recieve sufficient damages where there is breach of contract. On the other hand, employees in employment with statutory flavour may obtain stronger remedies. This produces uneven protection across sectors. Fourthly, institutions lack the capacity to ensure regulations. Regulatory institutions face several limitations. Hence, rights may exist on paper but they are not reliably realised in practice. Moreover, it is very complex to resolve employment disputes. Where it takes too long for disputes to be heard and resolved, remedies may become practically meaningless. Indeed, the specialist labour court was created to address these challenges. However, questions remain about the overall efficiency. Crucially, most contract

⁵ B M S Salawu, ‘Legal framework for the determination of employment contract under the Nigerian labour law’ [2025] (4) (2) *UCC Law Journal* 209–241.

documentations are informal. The terms of employment terms may not be properly documented, or workers may not receive clear written contracts which comprehensively state rights and obligations. In addition, there is an unequal bargaining power between employee and employers. Some documents are drafted one-sidedly and this gives extensive powers to employers even where written documents exist.⁶ Employees may sign without negotiation due to economic pressure. In addition, the employment environment in Nigeria faces aligns weakly with international labour standards. This creates a gap in legitimacy.

Therefore, the central problem this study addresses is that the legal and institutional framework governing employment contracts (though extensive in form) appears insufficiently coherent as well as insufficiently modern for emerging work patterns. In addition, there are uneven in remedies and they enforced weakly. This situation leaves critical questions unresolved: *Does the current law in Nigeria adequately regulate employment contracts across sectors and work types? Are the institutions responsible for regulation and dispute resolution effective enough to translate rights into reality? What reforms or policy strategies are needed?* These issues form the justification for a critical analysis of both the legal rules and the institutions governing contracts of employment in Nigeria, with a view to identify gaps and propose workable recommendations.

1.3 Research Questions

The questions emanating from this research are

- i. What legislative and institutional frameworks govern contracts of employment in Nigeria?

⁶ N Onu, 'An analysis of workers' protection in the Labour Act 2004 and the Employee's Compensation Act 2010 in Nigeria' [2024] (10) (1) *African Journal of Energy and Environmental Law (AJIEEL)* 185–193 <<https://ajieel.com/index.php/a/article/view/114>> accessed 16 December 2025.

- ii. What are the strengths of the legislative and institutional frameworks regulating contracts of employment in Nigeria?
- iii. What weaknesses exist within the current legislative and institutional frameworks regulating contracts of employment in Nigeria?

1.4 Aim and Objectives of the Research

The aim of this project is to critically analyse the legislative and institutional framework governing contract of employment in Nigeria

The specific objectives are

- i. To identify the legislative and institutional framework governing contract of employment in Nigeria
- ii. To examine the strength of the legislative and institutional framework governing contract of employment in Nigeria
- iii. To examine the weakness of the legislative and institutional framework governing contract of employment in Nigeria

1.5 Research Methodology

This study adopts a doctrinal research methodology. Doctrinal research is concerned primarily with the systematic identification, exposition, interpretation, and critical evaluation of legal rules. Doctrinal methodology is the most suitable approach because it allows the research to examine the content of applicable laws and evaluate whether the framework regulates employment relations in practice sufficiently. The “data” for doctrinal research is documentary. It is not field-based. Accordingly, this study relies on both primary and secondary legal materials. Primary sources include Constitution, Nigerian statutes and subsidiary legislation, judicial decisions, institutional instruments and regulatory guidelines. Secondary sources

include Academic textbooks, journal articles, law reports commentaries, a comparative scholarly writings, Policy documents, labour administration materials, and institutional reports. To move beyond description, the research evaluates the framework for contract of service in Nigeria.

1.6 Scope and Limitation of the Study

This study critically examines the legal and institutional framework governing contracts of employment in Nigeria. In the terms of subject-matter, the study examines how Nigerian law recognises and regulates the creation of an employment contract. In addition, examines how the relevant institutions make employment rights and obligations practically effective. Geographically, the study is limited to Nigeria. Jurisdictionally, it focuses on Nigerian legal sources and institutions which operate within Nigeria's labour and employment law framework. This study has notable limitations. The research is doctrinal and library-based. Hence it does not involve primary empirical data; nor does it involve surveys or observation of workplace practices. As a result, the study may not capture every lived experience relating to employment. The study mitigates this limitation by engaging with secondary data critically.

1.7 Significance of the Study

This study is significant for several reasons. Academically, the study contributes to the knowledge about employment in several ways. First, it synthesises dispersed legal sources which govern contract of service. In addition, the study identifies gaps and inconsistencies in the existing framework. This would stimulate scholarly debate. For employees, the study clarifies legal protections and remedies which are available under the law in Nigeria. It also clarifies the conditions the conditions to enforce employment rights. The study is also valuable for employers. It clarifies employer obligations. Hence, they are enabled to align internal policies with legal requirements.

The study is relevant to legal practitioners. It would support in litigating employment disputes. For the judiciary, the study is significant because it contributes to jurisprudential clarity. This study is also significant to regulatory institutions because it would highlight areas where institutional design or performance may weaken enforcement. Hence, it would inform administrative reforms. Ultimately, this study provides a basis for law reform.

1.8 Literature Review

Under this section, Literatures are synthesised and critically analysed to identify gaps in the knowledge base. The review is organised under four themes that directly align with the aims and objectives of the study.

1.8.1 The statutory architecture of Contracts of Service in Nigeria.

Ogunniyi⁷ mapped the principal statutes in Nigeria together with their relationship with common law. He clarified how employments are legally structured in Nigeria. He found that labour regulation is not a single-code system in Nigeria. Statutory rules and common law operate side-by-side. Statutory intervention often set minimum floors. Conversely, common law and contract terms still dominate many employment relationships (especially outside “worker” protections). This work has a notable limitation. It underplays the performance of institutions and the realities of employment.

Onu⁸ interrogated whether the Labour Act (LFN 2004) protects the rights of workers in Nigeria meaningfully. He found that the Labour Act defines “worker” and it also makes some exception. Consequently, there are some deficits in protecting rights. Moreover, modern labour categories that do not neatly fit traditional control/clerical/manual models. He notes that this is a statutory design problem and this leaves many labour relationships regulated primarily

⁷ Ogunniyi (n3) 16.

⁸ *ibid* Onu (n7).

through contract and common law. This has a notable limitation. It sometimes relies heavily on *legal reasoning* and selected authorities and it does not test systematically how many disputes or categories of workers are affected. This limits the precision of its policy prescriptions.

Bamgboye⁹ critiqued the limited scope of application of the Labour Act as Nigeria's "core" employment statute. In addition, he examined the legal implications of this for parties to employment contracts. He found that scope of Labour Act creates a gap in coverage. Hence, many employment relationship function outside statutory protections. This work has a notable limitation. It is not a peer-review journal. Hence, its conclusions may not generalized without triangulation against peer-reviewed research or institutional data.

1.8.2 Institutional governance of employment contracts through NICN

Kanyip¹⁰ interrogated the jurisdictional boundaries of the NICN and the legal–institutional logic of labour justice in Nigeria. This includes how the pathway for dispute resolution (conciliation, arbitration, court litigation) fit together. He found that the jurisdiction of NICN has become a pivotal gatekeeper for labour justice. However, its scope raises recurring interpretive questions (what counts as "labour/employment matters" and what remedies are appropriate). This work has a notable limitation. It is a jurisdiction-focused book. Hence, it sometimes frame labour justice mainly through the *court's lens*. Hence, it might under-emphasises the extent to which non-judicial institutions might prevent disputes from escalating into litigation in the first place.

⁹ M Bamgboye, 'Scope of application of the Nigerian Labour Act: a call for concern?' [2025] *SSRN Electronic Journal* <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5320904> accessed 16 December 2025.

¹⁰ B B Kanyip, *National Industrial Court Jurisdiction: "How Narrow is Narrow"?* (Lagos: Hybrid Consult, 2021).

Umeobika and Anyim¹¹ examined how the NICN has reshaped industrial conflict following constitutional reforms (including the Third Alteration) which strengthened the court's status and jurisdiction. They found that the Third Alteration constitutional reforms were a "watershed." It expands the powers of the NICN. In addition, it reinforces its role in employment matters. This includes a stronger capacity to apply equitable labour principles and labour-rights reasoning. The study has a notable limitation. It is less detailed on the *institutional trade-offs*. For instance, expanded jurisdiction also increase caseload.

Kanyip¹² clarifies key developments in labour jurisprudence. He examined the roles for conciliation/arbitration processes and areas of jurisdictional uncertainty. In addition, he illustrated how "unfair labour practice" leads to employment disputes. He found that resolution of labour dispute in Nigeria is not purely court-centred. Conciliation and arbitration remain relevant. In addition, jurisdiction of NICN can be "hazy" in certain boundaries and appellate decisions shape the contours often. Ultimately, they found that there is a shift beyond strict master-servant logic by the NICN. This work has a notable limitation. It focuses on the legitimacy and progress of the institutions excessively. Thus, it should be paired with other literatures to avoid one-sided evaluation of institutional performance.

1.8.3 Termination of Employment and Remedies.

Salawu¹³ focused on the "determination" (ending) of employment in Nigeria. He examined due process expectations across the employment lifecycle. In addition, he appraised issues

¹¹ C Q Umeobika and I C Anyim, 'The role of the National Industrial Court in industrial conflicts in Nigeria' [2023] (19) (3) *UNIZIK Law Journal* 172–190
<<https://journals.ezenwaohaetorc.org/index.php/ULJ/article/download/2697/2822>> accessed 16 December 2025.

¹² BB Kanyip, 'Labour laws and trade unions in Nigeria' (Keynote lecture delivered at the 2024 NLC and TUC Pre-May Day Lecture, Olaitan Oyerinde Hall, Labour House, Abuja, 29 April 2024)
<<https://www.nicnadr.gov.ng/Content/Labour-Laws-and-Trade-Unions-in-Nigeria.pdf>> accessed 16 December 2025.

¹³ *ibid* Salawu (n6).

arising in dismissals. He found that is a *rule-and-process* problem. Hence, there would be lawful determination when procedural requirements and the category of employment are complied with. This work clarifies the termination of employment in Nigeria. However, it has a notable limitation. It does not resolve how Nigerian institutions should treat “grey zone” work arrangements.

Ekpete and Mac-Jaja¹⁴ interrogated the place of reinstatement (a strong labour remedy) in private-sector employment, within the post-Third Alteration labour justice environment in Nigeria and the influence of international labour standards. Evidences indicate that employment in Nigeria should not be terminated without valid reasons. They also found that the NICN has exclusive jurisdiction over many labour disputes. The strength is of this work that it captures the emerging remedial direction and links it to labour standards. However, this work has a notable limitation. It does not deeply engage with enforcement mechanisms of institutions.

Abangwu and others¹⁵ evaluated the jurisprudence on wrongful termination especially after appellate developments. In addition, they drew comparative lessons from Ghana and Malaysia. They argued that there exist an evolving approach and this may support greater employment security. In addition, it allows damages beyond measures of the classic “notice period” in deserving cases. They also raised concerns about employer prejudice if not principled. The work adopts a comparative approach and it is a strong methodological feature (it tests Nigerian doctrine against alternative models). However, this work has notable limitations. Comparative

¹⁴ G S Ekpete and A A Mac-Jaja, ‘An appraisal of reinstatement in private sector employment in Nigeria’ [2025] (12) (5) *Nnamdi Azikiwe University Journal of Commercial and Property Law (NAU.JCPL)* 87–95.

¹⁵ N E Abangwu, U G Oyibodoro, D T-A Eyongndi, S Shaba and F O Opara, ‘Measurement of quantum of damages for wrongful termination of employment in Nigeria: gleanings lessons from Ghana and Malaysia’ [2025] (12) (2) *Lentera Hukum* 198–228
<https://www.researchgate.net/publication/396772620_Measurement_of_Quantum_of_Damages_for_Wrongful_Termination_of_Employment_in_Nigeria_Gleaning_Lessons_from_Ghana_and_Malaysia> accessed 16 December 2025.

borrowing requires careful calibration. There are differences in structure of labour market in countries. Hence, what works in Ghana or Malaysia may not work in Nigeria

1.8.4 Modern labour markets and traditional legal categories.

Braimoh-Habeebu¹⁶ assessed whether the traditional employee/independent contractor binary in Nigeria would handle platform-mediated labour and algorithmic management in the digital economy. They argued that the binary classification is ill-suited to platform work. This is because such work often combines features of employment and independent contracting. Hence, this creates a regulatory blind spots. This work has notable limitations. It makes proposal for institutional reforms. However, it does provide clearer institutional pathways. Should protection come through Labour Act reform, NICN jurisprudential innovation, a new worker category, or sectoral regulation? Reform remains theoretical if “who does what” are not specified institutionally.

Yagba¹⁷ clarified that platform work is a transformation of traditional employment relationships. In addition, he recommended legal reforms to accommodate non-standard work. He recommended that there should be dedicated legislation to regulate platform work. He also suggested that existing statutes to be amended (including compensation regimes) so platform workers access protection. Ultimately, he called on courts to move beyond older doctrinal tests when characterising employment relationships. This paper has notable limitations. It under-explain the transitional cost of regulation. Platform work regulation may generate compliance disputes over who the “employer” is (platform vs. customer vs. intermediary). Reforms may

¹⁶ *ibid* Braimoh-Habeebu (n5).

¹⁷ J-F T Yagba, ‘Digital platform work: a transformation of traditional employment relations in Nigeria’ [2021] (10) *Benue State University Law Journal* 157–174.

exist on paper; however, they may deliver limited change. Hence, there is need for a robust enforcement architecture.

Ofulue and Nwabuoku¹⁸ assessed whether protection is deficit for informal/casual workers. In addition, they utilised comparative insights to recommend statutory regularisation and stronger enforcement mechanisms in Nigeria. They found that Nigeria urgently needs stronger statutory coverage and enforcement design. This would bridge the gap between formal rights and informal labour where many workers exist outside effective protections. This work is valuable because it identifies options for reform. However, it has notable limitations. Its conclusion is constrained because it does not sufficiently address the institutional capacity in Nigeria. Without that, “regulation” may be attractive normatively; however, it would difficult operationally.

Gaps in Knowledge

Across the four themes, the literature examined the regulatory framework for contract of service in Nigeria. However, a major gap remains. The literature is still comparatively fragmented between “what the law provides” and “how institutions govern contracts of service.” On the legislative side, scholarship strongly critiques statutory scope. However, it treats the wider statutory ecosystem (Labour Act, NIC Act, constitutional labour justice, compensation law, collective regulation) individually (and not as a whole). On the institutional side, many works focus on the NICN heavily. Yet, fewer studies systematically evaluate how multiple institutions work together. In addition, there is no recent work which integrates the strength and weakness into a single evaluation. In essence, these questions remain unanswered. *What exactly is the legislative and institutional framework governing contracts of*

¹⁸ PO Ofulue and IMO Nwabuoku, ‘Legal protection for informal/casual workers: a comparative study of Nigeria and Australia’ [2025] (9) (9) *International Journal of Research and Innovation in Social Science (IJRISS)* 9010–9020.

employment in Nigeria? Where is it strong? Where is it weak? This is precisely the gap this study addresses and it aligns directly with the objectives of the study: (i) identifying the framework; (ii) analysing strengths; and (iii) analysing weaknesses of the regulatory framework for contract of employment in Nigeria.

CHAPTER TWO

CONCEPTUAL AND THEORETICAL FRAMEWORK

2.1 Conceptual Framework

2.1.1 Meaning of Employment

Employment, in its modern legal sense, is more than “working for pay.” It is a structured legal relationship and it creates enforceable rights and duties between two parties (an employer and a worker). In Nigeria, this relationship is often understood through the lens of a *contract of employment* (or contract of service).¹⁹ This determines whether the worker may invoke labour protections. According to the Labour Act, employment is an agreement (whether oral or written, express or implied) by which one person agrees to employ another “as a worker.”²⁰ This definition captures informal realities common in Nigeria (where written contracts are sometimes absent). However, the word “worker” also introduces a practical limitation because the labour legislation in Nigeria concentrates on “workers” as a class historically and this leaves senior managerial staff and professionals to rely on the principles of contract in common law and internal workplace policies.

Another key conceptual issue is that employment should be distinguished from *self-employment* or *independent contracting*, because parties label relationships strategically to avoid legal obligations (tax, pension, liability, unionisation, minimum wage, redundancy). Nigerian courts have often relied on classic indicators such as control, integration, and the nature of obligations to separate a contract of service from a contract for service. In *Shena Security Co. Ltd v Afropak (Nig.) Ltd*,²¹ the supreme court held that the substance of the

¹⁹ A Ẹmiola, *Nigeria Labour Law* (Emiola Publishers, 2008)

²⁰ Labour Act (L1, LFN 2004), s91.

²¹ *Shena Security Co. Ltd v Afropak (Nig.) Ltd* SC.368/2002

relationship matters for legal categorisation. However, in recent times, the definition of employment has been shaped by *technology-based labour* and informal outsourcing. This is why the gig economy has become a stress-test for employment concepts in Nigeria.

In *Oladapo Olatunji & Anor v Uber Technologies System Nigeria Ltd & 2 Ors*,²² the Court emphasised that deciding whether there is an employment relationship depends on the real facts of what was agreed and performed, not merely what parties call it. The claimants were Uber/Taxify drivers who said that they were recruited and trained. In addition, they claimed that their work was controlled through the platforms (dress code, fare rates, conduct rules), and were paid weekly after deductions, so they claimed they were employees and entitled to benefits (including pension). Uber/Taxify denied employing them and they argued that they only provide a technology platform connecting riders to drivers. In addition, drivers choose when to work, use their own cars, earn fares (minus service charge), and signed terms describing them as independent contractors, not employees. The Court held that the claimants failed to place sufficient credible facts/evidence before the Court to prove an employment relationship. Hence, the declaratory reliefs (including the declaration that they were employees) could not be granted and the entire suit was dismissed. In short, the meaning of employment in Nigeria must now be understood not only in traditional “master–servant” terms. It must also be deciphered against modern organisational strategies that repackage labour as “independent contracting” deliberately to reduce legal exposure.

2.1.2 Definition of a Contract

A contract is an agreement intended to create legal relations and it is supported by consideration, and recognised by law as enforceable.²³ According to Sagay, Contract is an

²² *Oladapo Olatunji & Anor v Uber Technologies System Nigeria Ltd & 2 Ors* (NICN/LA/546/2017)

²³ GH Treitel, *The Law of Contract* (11th edn. London: Sweet & Maxwell 2003)

enforceable agreement affecting legal rights and duties, separating social arrangements from legally binding bargains.²⁴ In *Akudigwe v AG Anambra State*,²⁵ the Court of Appeal defined a contract as “an agreement between two or more parties which creates reciprocal legal obligation(s) to do or not to do a particular thing,” and it stressed that parties must be *ad idem* (consensus) for a valid contract to exist. Yet, it would be misleading to apply ordinary contract logic to employment without adjustment because employment relationships are not negotiated between equals in the same way as commercial contracts. Employment contracts are often “adhesion” arrangements: drafted unilaterally by employers and presented on a take-it-or-leave-it basis. In addition, they are accepted under economic pressure. Therefore, an accurate definition of contract for employment purposes must accommodate the reality that employment contracts operate under structural inequality. The terms of a contract are important aspect of a contract. Contracts include not only express written terms but they also include implied terms, statutory terms, and workplace policies. These shape the employment relationship. The Labour Act requires employers, at minimum, to provide written particulars of employment terms and this indicates that terms of employment must be definite to prevent exploitation and uncertainty.²⁶

2.1.3 Definition of Contract of Employment

A contract of employment is a specific type of contract (often described as a *contract of service*) where a person agrees to work for another in return for wages or salary, under conditions that involve control, supervision, and integration into the employer’s undertaking.²⁷ According to the Labour Act, it is an agreement (oral or written; express or implied) by which one person

²⁴ Sagay, I.E. *Nigerian Law of Contract*. (3rd edn (Revised), Ibadan: Spectrum Law Publishing 2018)

²⁵ *Akudigwe v Attorney-General, Anambra State* [2020] LCN/14370(CA)

²⁶ Labour Act 2004, s7.

²⁷ EE Uvieghara, *Labour Law in Nigeria* (Lagos: Malthouse Press 2001).

agrees to employ another as a worker and the other agrees to serve.²⁸ This definition is expansive and it reflects the socio-economic context of Nigeria where many work arrangements are informal and not recorded in writing.

Similarly, in *Shena Security Co. Ltd v Afropak (Nig.) Ltd & 2 Ors*,²⁹ the Supreme Court pointed out that a contract of service/contract of employment is any agreement (oral or written, express or implied) where one person agrees to employ another as a worker and the other agrees to serve as a worker. In these case, Shena Security entered an oral agreement with Afropak to supply security guards to Afropak's premises. However, Afropak later terminated the arrangement, leading to a dispute over the nature of the relationship and the proper notice/payment due on termination

2.1.4 Formation of Contract of Employment

The formation of a contract of employment follows general contract principles. They include offer, acceptance, intention to create legal relations, and consideration. However, it also has distinctive features: recruitment processes, probation clauses, confirmation rules, reference checks, and onboarding requirements and this shapes the point at which legal obligations crystallise. The following are requirements to form a valid contract of employment in Nigeria.

i. Offer of employment

The first step in the formation of a contract of employment is a valid offer made by the employer to the prospective employee. An offer of employment is a definite expression of willingness by the employer to engage a person on stated terms with the intention that the offer shall become binding once accepted. In employment practice, the offer is usually communicated through an offer letter or appointment letter. However, it may also appear in

²⁸ Labour Act 2004, s91.

²⁹ *Shena Security Co. Ltd v Afropak (Nig.) Ltd & 2 Ors* [2008] 18 NWLR (Pt. 1118) 77 (SC)

email correspondence, formal recruitment documentation, or, in appropriate circumstances, be inferred from the conduct of the parties. For an offer to be valid, it must disclose the essential terms of the proposed employment. Uvieghara notes that the offer must show the employer's intention to engage the person to work under agreed terms (job role, pay, start date, etc.).³⁰

In *West Construction Company Ltd v Santos M. Batalha*,³¹ the Supreme Court held that a binding contractual relationship has been created once the employee accepted the letter of offer. This shows that an employment offer is not a mere administrative courtesy. Once it contains definite terms and is accepted, it becomes enforceable in law. The courts have also made clear that employment offers need not always be dressed in elaborate formal language before they can take legal effect. What matters is whether the employer communicated a real and definite intention to employ, and whether the employee accepted that proposal. In *Federal Capital Development Authority v Alhaji Musa Naibi*,³² the Supreme Court proceeded on the basis that once the employer agreed to employ the plaintiff and the plaintiff accepted to serve, the contractual relationship was established.

An offer of employment must be distinguished from preliminary negotiations. Not every encouraging communication from an employer amounts to a legal offer. In *Adedapo Mokuolu v Incar (Nigeria) Ltd*,³³ the court treated an earlier communication as preliminary because it contemplated that a later formal letter of offer would be issued if the candidate eventually succeeded. Hence, where the language of the communication shows that further approval, documentation, or formalisation is still required, the court may hold that no enforceable offer has yet been made. Finally, because a contract of employment may be oral, written, express, or implied, the offer may in some situations be inferred from conduct, where the worker resumes

³⁰ Uvieghara (n9).

³¹ *West Construction Company Ltd v Santos M. Batalha* [2006] 9 NWLR (Pt. 986) 595 (SC)

³² *Federal Capital Development Authority v Alhaji Musa Naibi* [1990] 3 NWLR (Pt. 138) 270 (SC)

³³ *Adedapo Mokuolu v Incar (Nigeria) Ltd* [1971] NCLR 339

duty with the knowledge of the employer and both parties act on agreed terms. In *Shena Security Co. Ltd v Afropak (Nig.) Ltd & Ors*,³⁴ the Supreme Court affirmed that a contract of employment may be oral or written, express or implied. Indeed, the best evidence of an offer is a formal appointment letter. However, the law does not deny the existence of an employment offer because the parties failed to reduce it into a single formal document.

ii. Acceptance by the employee

Acceptance is the employee's unequivocal assent to the offer of employment on the terms proposed by the employer. Acceptance must correspond with the offer and must be communicated either expressly or by conduct that indicates agreement. In an employment, acceptance is shown where the prospective employee signs and returns the letter of appointment, writes an email conveying agreement to the offer, or resumes duty in accordance with the terms stated by the employer. In essence, a person cannot be treated as an employee unless there is consensus ad idem (meeting of minds) between both sides on the essential terms.³⁵

Most commonly, acceptance is where the employee signs and returns the offer or appointment letter. In *The Rector, Kwara State Polytechnic & Ors v Mr Ola Adefila & Ors*³⁶ the court held that the employee's signed "Acceptance of Offer of Appointment" alongside the appointment letter is part of the documentary basis of the employment relationship. Acceptance may also be inferred from conduct where the employee resumes work after receiving the offer. In *Central Bank of Nigeria v Mrs Agnes M. Igwilllo*,³⁷ the Supreme Court held that the employee's assumption of duty pursuant to the letter of appointment is evidence that the offer had been

³⁴ *Shena Security Co. Ltd v Afropak (Nig.) Ltd & Ors* [2008] 18 NWLR (Pt. 1118) 77 (SC),

³⁵ *ibid*

³⁶ *The Rector, Kwara State Polytechnic & Ors v Mr Ola Adefila & Ors* [2006] LCN/2111(CA)

³⁷ *Central Bank of Nigeria v Mrs Agnes M. Igwilllo* [2007] 14 NWLR (Pt 1054) 393 (SC)

accepted and that the parties were bound by the terms contained in the employment letter, including the probationary conditions.

Similarly, in *Anyalemechi Emmanuel Chukwukadibia v Blowfish Limited*,³⁸ the court found that the claimant had accepted the offer of employment and had presented himself to resume work, but was prevented by the employer from fully assuming duties. The court relied on the appointment letter and the surrounding communications between the parties and it concluded that there was clear acceptance. To that effect, the employer cannot deny the existence of the contract merely by pointing to later administrative obstacles.

iii. Capacity and legality

The parties must possess the legal capacity to contract and that the object of the contract must be lawful. Capacity relates to the competence of the parties in law to enter into a binding agreement. On the other hand, legality concerns the lawfulness of the work, consideration, and purpose of the contract. Under the Labour Act, capacity is regulated in relation to young persons. Section 9(3) provides that, except in the case of a contract of apprenticeship, no person under the age of sixteen years is capable of entering into a contract of employment under the Act. The Act therefore imposes a statutory restriction on the contractual capacity of children in employment matters and treats apprenticeship as the principal exception. In *Shena Security Co. Ltd v Afropak (Nig.) Ltd & Ors*,³⁹ the Supreme Court reaffirmed that a contract of employment may be oral or written, express or implied. However, it must still be a legally recognisable contract. More so, the parties must be legally capable of entering the arrangement recognised by law.

³⁸ *Anyalemechi Emmanuel Chukwukadibia v Blowfish Limited* NICN/LA/252/2018

³⁹ *Shena Security Co. Ltd v Afropak (Nig.) Ltd & Ors* [2008] 18 NWLR (Pt. 1118) 77 (SC)

Legality is the second limb of this requirement is. A contract of employment must be for a lawful job and a lawful purpose. The law will not enforce a contract whose object, consideration, or mode of performance is illegal, prohibited by statute, or contrary to public policy. This principle applies with full force to employment contracts. Thus, even where an employer and employee appear to agree on terms, the court will refuse to recognise the contract if what is contemplated is unlawful. In *Abimbola George & Ors v Dominion Flour Mills Ltd*,⁴⁰ the Supreme Court restated the classic principle that no court ought to enforce an illegal contract or allow itself to be used as an instrument for enforcing obligations arising from an illegal transaction. The court emphasised that where illegality appears from the evidence, the court must refuse relief, whether or not illegality has been pleaded. Similarly, in *Ekeremor Local Government Council v Omie*,⁴¹ the Supreme Court restated that a contract is illegal if its consideration or promise involves doing something illegal or contrary to public policy, and that such a contract is void and cannot found any legal right.

2.1.5 Types of Contract of Employment in Nigeria

Contract of employment is categorized into ordinary employment (master–servant) and employment with statutory flavour.⁴²

i. Ordinary employment

Ordinary employment is a common-law type of employment where the relationship is governed by the terms agreed by the parties (e.g., offer letter/handbook) and general contract principles. It is terminated by notice (or salary in lieu), and damages are the usual remedy for wrongful

⁴⁰ *Abimbola George & Ors v Dominion Flour Mills Ltd* [1963] 1 SCNLR 117

⁴¹ *Ekeremor Local Government Council v Omie* [2022] 5 NWLR (Pt. 1824) 85 (SC)

⁴² Uvieghara (n9).

termination.⁴³ In *NIIA v Ayanfalu*,⁴⁴ the Court of Appeal recognised “a pure master/servant relationship under the common law” as the model of ordinary employment. A strong feature of master–servant employment is that the employer generally has the right to terminate at any time, for any reason or for no reason, provided the employer complies with the termination clause (notice/salary in lieu). Under section 11 of the Labour Act, termination is recognised through notice, and where the notice is at least one week, it should be in writing. Salary in lieu of notice is also recognized.⁴⁵ In master–servant employment, courts usually do not compel an unwilling employer to keep an employee, so reinstatement/specific performance is uncommon

The basic features of ordinary employment in Nigeria are:

- i. It is governed by contract and common law: it is regulated by the terms agreed by the employer and employee. This includes the offer letter, employment contract, staff handbook, and general principles of the common law, rather than by a specific statute governing appointment and removal.
- ii. It is a master–servant relationship: it is based on mutual agreement. The employer having authority to direct the employee’s work. Conversely, the employee agrees to serve under the employer’s terms. In *Godfrey Isievwore v National Electric Power Authority*,⁴⁶ the appellant, a NEPA employee, challenged his retirement and sought reinstatement. He argued that his employment should be protected. The Supreme Court held that his employment did not have statutory flavour because the relationship was regulated by the staff handbook, not by statute. The Court held that the relationship is one of ordinary master and servant.

⁴³ Emiola (n1) 107.

⁴⁴ *NIIA v Ayanfalu* [2007] 2 NWLR (Pt. 1018) 246 (CA)

⁴⁵ *Akpasen Ekong Akpan v ECM Terminals Limited* (NICN/CA/52/2023)

⁴⁶ *Godfrey Isievwore v National Electric Power Authority* (2002) 13 NWLR (Pt 784)

- iii. Termination is governed by the agreed terms of the contract: In ordinary employment, either party may terminate the relationship in accordance with the contract. They give the required notice or salary in lieu of notice. The employer is not required to retain the employee once the contractual termination procedure is followed.
- iv. The employer may terminate for a reason, or even for no reason, provided the contract is followed: The employer may terminate the employee's appointment at any time, for a reason or for no stated reason. However, the termination must comply with the contractual terms relating to notice or payment in lieu.
- v. The usual remedy is damages, not reinstatement: Where there is wrongful termination in ordinary employment, the normal remedy is damages. This is measured by what the employee would have earned during the notice period. Courts do not order reinstatement in this type of employment because they do not force an unwilling employer to keep an employee.

ii. Employment with statutory flavor

On the other hand, Employment with statutory flavor is an employment where the appointment and discipline/termination are governed or protected by statute or regulations made pursuant to statute and this means that employer must comply with the statutory procedure for discipline/termination; non-compliance usually makes the termination void.⁴⁷ In *Olaniyan v University of Lagos*,⁴⁸ The Supreme Court held that an employment has statutory flavour where the employee's appointment and removal are governed and protected by statute (or regulations made under statute), so termination must strictly follow the statutory procedure, otherwise it is null and void. The core idea is that the statute is superior to the contract. So, the terms are not just what is in the offer letter or handbook, but they are also what the enabling law and

⁴⁷ *ibid*

⁴⁸ *Olaniyan v University of Lagos* [1985] 2 NWLR (Pt. 9) 599 (SC)

regulations say. Courts generally look for any of these. Firstly, the employment is created by statute or the employer is a statutory body and the statute prescribes appointment/discipline/removal procedures. Secondly, the employment is protected by Public Service Rules / Regulations.⁴⁹

The basic features of employment with statutory flavour in Nigeria are:

- i. It is governed or protected by statute: the appointment, discipline, and removal of the employee are regulated not merely by contract, but by a statute or regulations made pursuant to statute. In *A.B.U., Zaria & Anor v Idenyi*,⁵⁰ the respondent challenged the termination of his appointment by Ahmadu Bello University on the ground that the University did not follow the disciplinary procedure laid down in the Ahmadu Bello University Act. The NICN had already found non-compliance with the Act and set aside the termination. The Court of Appeal affirmed the principle that where an employment is protected by statute, the employer must comply with the prescribed statutory procedure. Where that procedure is not followed, the termination is liable to be set aside.
- ii. The statute is superior to the contract: In this type of employment, the terms of the relationship are not limited to the offer letter, staff handbook, or other contractual documents. The enabling statute and regulations made under it override ordinary contractual terms where there is any inconsistency. In *Bamgboye v University of Ilorin*,⁵¹ a university lecturer challenged his dismissal and argued that the University failed to act in accordance with the University of Ilorin Act and the applicable statutory procedure. The court held that an employment in the public service, where the

⁴⁹ *Shitta-bey v FPSC* [1981] LPELR-3056(SC)

⁵⁰ *A.B.U., Zaria & Anor v Idenyi* [2024] LPELR-61760(CA)

⁵¹ *Bamgboye v University of Ilorin* (1999) 10 NWLR (Pt 622) 290

conditions of service are provided for by regulations made pursuant to statutory authority, enjoys statutory flavour.

- iii. The employer must comply strictly with the prescribed statutory procedure: appointment, discipline, suspension, and termination must follow the exact procedure laid down by the relevant statute or regulations. The employer cannot act outside that procedure.
- iv. Non-compliance usually makes the termination null and void: failure to comply with the statutory procedure in an employment with statutory flavour generally renders the dismissal, termination, or removal null, void, and of no effect.
- v. It is common in public service and statutory bodies: This type of employment is found where the employee works in a statutory institution, public service body, university, commission, board, or other public establishment whose enabling law regulates appointment and removal.
- vi. The employee may be entitled to stronger remedies, including reinstatement: Since the employment is protected by statute, the court may declare the purported removal invalid and order reinstatement where the statutory procedure was not followed. This is one of the major distinctions from ordinary master–servant employment.

2.2 Theoretical Framework

This section discusses the theories on which this research is anchored.

2.2.1 Natural Law Theory

Natural Law theory holds that law must conform to reason, justice and moral standards. Classical Natural Law theorists maintain that law ought to direct human conduct toward what is right and socially beneficial. Aquinas noted that law is an ordinance of reason made for the

common good by a legitimate authority and duly promulgated.⁵² Consequently, Natural Law suggests that where rules or legal practices undermine justice or moral principles, they may be criticised as defective, even if they are enacted formally. The principal argument of Natural Law theory is that a valid law must be a law that is moral. In this sense, law must embody minimum ethical content and it must promote the common good, not be oppressive or exploitative. Natural Law provides a normative basis for evaluating whether the content of those laws is consistent with justice and morality.⁵³

Natural Law demonstrates that employment relations should not be analysed purely as commercial bargains between equal parties. In reality, bargaining power for employment is often unequal. Employers determine terms of engagement, while employees accept those terms under economic pressure and limited alternatives.⁵⁴ Natural Law therefore strengthens the argument that employment must be regulated in line with values such as fairness and decent working conditions, not contractual formalism alone. Natural Law justifies statutory intervention in employment matters where informal work and precarious labour conditions make “freedom of contract” an insufficient safeguard for employees.

2.2.2 Legal Positivism

Legal Positivism is a jurisprudential theory and it is associated with scholars such as John Austin and H. L. A. Hart. Austin’s “command theory” conceptualises law as commands issued by a sovereign and backed by sanctions. Hart later advanced a more sophisticated positivist account; he explained that legal systems operate through the interaction of “primary rules” (rules of obligation) and “secondary rules” (rules that confer power to create, recognise,

⁵² J Finnis, *Natural Law and Natural Rights*. (2nd edn. Oxford: Oxford University Press 2011) 34.

⁵³ *ibid*

⁵⁴ Uvieghara (n9).

modify, and adjudicate law).⁵⁵ For positivists, a rule qualifies as law because it is made according to the recognised procedures of the legal system, not because it is morally right. The main argument of Legal Positivism is that law is separate from morality. Under this view, the existence of a law is one question, while the moral value of that law is another.

This theory is relevant to this research because the project is primarily concerned with analysing the legal and institutional framework governing contracts of employment in Nigeria and this requires a clear doctrinal foundation. Nigerian employment law is derived from multiple legal sources including the Labour Act, judicial precedents, subsidiary regulations, and employment contracts/conditions of service. Legal Positivism helps structure the research by focusing on “what the law is” regarding the formation, terms, enforcement, and termination of employment contracts. In addition, it maps the roles of institutions such as the National Industrial Court of Nigeria (NICN) and other regulatory bodies.

2.2.3 Legal Realism

Legal Realism is associated with American jurists and scholars such as Oliver Wendell Holmes Jr., Karl Llewellyn, and Jerome Frank. Holmes famously argued that the life of the law has not been logic but experience, and that law should be understood in terms of how legal rules operate in practice.⁵⁶ Legal Realists reject the idea that legal outcomes are derived from abstract rules mechanically. Instead, they emphasise that it is influenced by facts, judicial discretion, institutional behaviour, and social realities. Llewellyn and Frank, for instance, highlight that uncertainty and human factors shape legal decisions. Hence, legal rules must be evaluated against their application in reality. The main argument of Legal Realism is that law is what courts and institutions actually do; it is not what legal texts say in theory. This draws attention

⁵⁵ H L A Hart, *The Concept of Law* (Clarendon Press 1994).

⁵⁶ Oliver Wendell Holmes Jr, ‘The Path of the Law’ [1897](10)(457) *Harvard Law Review*.

to practical issues such as failures in enforcement, delays, inconsistency in remedies, and the institutional constraints. These prevent legal rights from being realised. Legal Realism therefore prioritises the lived experience of law.

For this research, Legal Realism is valuable because there are challenges in enforcing and implementing employment regulation in Nigeria. Even where statutory provisions appear protective, the value of those protections depends on whether they are enforced through institutions such as the NICN, labour inspectorates, and workplace dispute mechanisms.¹⁷ In many employment disputes, employees may have rights theoretically. However, they may struggle to enforce them due to delay, costs, power imbalance, fear of victimisation, or weak institutional support.⁵⁷ Legal Realism also strengthens the analysis of modern work arrangements, including outsourcing, casualisation and “gig” work structures, where employers may label workers as independent contractors to avoid obligations, even when the work relationship reflects employee-like dependence.⁵⁸

2.2.4 Sociological Jurisprudence

Sociological Jurisprudence is associated strongly with Roscoe Pound and he argues that Law is an instrument for social ordering and development. Pound described law as a form of “social engineering” and this means that law should balance competing social interests and promote social welfare.⁵⁹ This theory holds that law is a social institution that must respond to the needs and conditions of society; it should not function as an autonomous and isolated set of rules. The major argument of Sociological Jurisprudence is that legal rules should be evaluated by their social effects (i.e whether they promote justice, and social progress). Pound emphasised

⁵⁷ Uvieghara (n9).

⁵⁸ Agomo (n32)

⁵⁹ R Pound, *An Introduction to the Philosophy of Law* (New Haven: Yale University Press 1922).

that law must serve the public interest and it should reconcile individual rights with collective welfare.⁶⁰

This theory aligns closely with the objectives of this research because contracts of employment affect not only employers and employees; it also affects economic stability, productivity, family welfare, and social order. Nigerian labour law must therefore be responsive to the evolving labour market that strain traditional contract doctrines.⁶¹ Sociological jurisprudence supports the argument that the legal framework for contracts of employment must be reviewed to protect workers and balance employer flexibility with fair labour standards. It also provides a strong foundation for recommending reforms that strengthen labour institutions and improve resolution of workplace dispute

⁶⁰ *ibid*

⁶¹ Agomo (n32).

CHAPTER THREE

THE LEGISLATIVE AND INSTITUTIONAL FRAMEWORK GOVERNING CONTRACT OF EMPLOYMENT IN NIGERIA

3.1 Core Municipal Legislation Governing Contract of Employment in Nigeria

This section examines the core municipal legislation which govern contract of employment in Nigeria.

3.1.1 The Constitution of the Federal Republic of Nigeria 1999 (as amended)

The 1999 Constitution is the *legal foundation* for employment regulation in Nigeria because it simultaneously (i) expresses labour-protective social objectives, (ii) entrenches enforceable fundamental rights that shape employment relations, and (iii) creates a specialised adjudicatory structure; it vests labour jurisdiction in the National Industrial Court of Nigeria (NICN). The Constitution therefore is a *policy charter* and a *rights-enforcement instrument*.

First, under Chapter II, the Constitution directs state policy towards ensuring adequate opportunity for employment, just and humane conditions of work, and the safeguarding of employee health, safety and welfare. However, these provisions are non-justiciable due to constitutional limits on enforcing Chapter II duties. Section 17(3) outlines labour-centric social objectives such as “just and humane” conditions of work and protected welfare for persons in employment. Secondly, the enforceable rights framework in Chapter IV shapes the contract of employment. It constitutionalise certain labour values. The Constitution protects freedom of association, including trade union participation⁶² and this is relevant in union membership, collective bargaining, and industrial actions. It also prohibits slavery, servitude, and forced or

⁶² CFRN 1999 (as amended), s40

compulsory labour⁶³ Most importantly, the Constitution (through the Third Alteration) strengthened labour justice. It grants the NICN exclusive jurisdiction over employment/labour matters and it also empowers it to deal with unfair labour practice and apply international best practices and international labour standards.

3.1.2 The Labour Act, Cap L1 LFN 2004

The Labour Act is the principal municipal statute regulating employment relationships. It imposes minimum protective standards on the contractual power of employers in relation to written particulars,⁶⁴ wages,⁶⁵ and termination-related safeguards.⁶⁶ Yet, the Act is widely criticised because it is dated and narrow. In addition, it focus overly on “workers” and this leaves major categories of modern employees under-protected. The Act regulates practical issues that generate disputes in contracts of employment. Indeed, employment relationships in Nigeria are still influenced by the common law “master-servant” idea. However, the Labour Act is a statutory counterweight and it compels employers to meet minimum standards even where bargaining power is unequal.

3.1.3 The Employees’ Compensation Act 2010

The Employees’ Compensation Act (ECA) shifts workplace injury and occupational disease disputes from a blame-centric model to a structured compensation system. It inserts social insurance logic into contracts of employment. In practical terms, it assumes that workplace risk is a predictable cost of production, not an individual misfortune to be litigated through tort principles. The Act establishes a compensation regime administered through the Nigeria Social Insurance Trust Fund (NSITF) and it is empowered to handle claims relating to injury,

⁶³ CFRN 1999 (as amended), s34.

⁶⁴ Labour Act 2004, s7

⁶⁵ *ibid* s1-5

⁶⁶ *ibid* s7

disability, disease, or death arising from employment.⁶⁷ This creates a framework where employees can receive remedies without being forced to prove employer negligence as the primary gateway to relief.

3.1.4 The Pension Reform Act 2014

The Pension Reform Act 2014 reconfigures employment relations and it makes retirement benefits a mandatory contributory obligation, not a discretionary workplace privilege. It embeds long-term social security into the contract of employment. The Act establishes and empowers the National Pension Commission (PenCom) to regulate and supervise pension administration and also ensure that retirement benefits are paid when due.⁶⁸ It also grants PenCom significant regulatory oversight powers⁶⁹ and, crucially, the ability to pursue criminal accountability for persistent non-remittance (subject to statutory conditions).⁷⁰ In *National Pension Commission v Exclusive Stores Ltd*,⁷¹ PenCom sued Exclusive Stores and demanded access to their pension records to inspect/investigate compliance, and to compel the defendant to remit outstanding pension contributions (and interest for late remittance). The NICN held that PenCom has statutory power to demand and inspect the defendant's pension records and enforce compliance, and that the defendant is under legal duty to remit contributory pension. The Court ordered the defendant to grant PenCom access to its pension documents and remit any outstanding contributions found after inspection.

⁶⁷ ECA 2010, s2(2)

⁶⁸ Pension Reform Act 2014, s17

⁶⁹ *ibid* s24&25

⁷⁰ *ibid* s105

⁷¹ *National Pension Commission v Exclusive Stores Ltd* Suit No: NICN/ABJ/385/2019

3.2 Core International Legislations Governing Contract of Employment in Nigeria

3.2.1 Core ILO Conventions Ratified by Nigeria

ILO Conventions represent the most influential global labour standards, and it strengthens the normative content of employment rights where domestic labour statutes are weak or outdated. Nigeria has been a member of the ILO since 1960 and it has ratified a substantial number of conventions (reported as 44).⁷² International labour standards become relevant in Nigeria through the constitutional mandate of the NICN to apply international best practices and interpret international labour standards, even where domestic legislation is silent or lagging.

3.2.2 International Covenant on Economic, Social and Cultural Rights (ICESCR)

The ICESCR notes that labour rights are human rights and they ensure that employment is understood as part of dignity and social justice. The ICESCR recognises the right to work⁷³ and the right to just and favourable conditions of work.⁷⁴ This includes fair wages and safe working conditions. The Covenant also reinforces union and strike rights through its broader labour rights framework.⁷⁵

3.2.3 African Charter on Human and Peoples' Rights

The African Charter is important in Nigeria because it is domesticated and this makes more enforceable than many other international instruments in Nigerian courts. Nigeria domesticated the Charter through the African Charter on Human and Peoples' Rights (Ratification and Enforcement) Act under section 1. Hence, these rights are part of Nigerian law. This gives

⁷² ILO, Nigeria < <https://www.ilo.org/regions-and-countries/africa/nigeria> > accessed 19 January 2026.

⁷³ ICESCR, Art 6.

⁷⁴ *ibid* Art 7.

⁷⁵ *ibid* Art8

employees and unions an additional rights platform beyond the Constitution and labour statutes.

3.2.4 ECOWAS Treaty and Protocols on Free Movement and Labour Rights

ECOWAS free movement rules affect employment contracts.⁷⁶ It shapes the status, mobility, and labour conditions of West African migrant workers in Nigeria and Nigerian workers across the region. ECOWAS instruments recognise the rights of West Africans to enter, reside, and establish businesses within Member States.⁷⁷ This provides legal support for cross-border labour mobility.

3.3 Core Municipal Institutions Governing Contract of Employment in Nigeria

3.3.1 Federal Ministry of Labour and Employment

The Ministry is the administrative engine of labour in trade disputes, industrial relations surveillance, and conciliation. It handles trade disputes through mediation/conciliation. It monitors industrial relations and responds rapidly to industrial crises. The ministry has not been effective due to constraints in capacity and politicisation in major disputes. Under the Trade Disputes Act, the Minister of Labour is the statutory “gate-keeper” for formal trade dispute resolution. This is because unresolved disputes are reported to the Minister and processed through the statutory settlement ladder.⁷⁸

3.3.2 The National Industrial Court of Nigeria (NICN)

The NICN is the specialised judicial backbone of employment law in Nigeria. Section 254C expands NICN jurisdiction into unfair labour practices, minimum wage disputes, workplace

⁷⁶ ECOWAS, Protocol Relating to Free Movement of Persons, Residence and Establishment (A/P.1/5/79, 29 May 1979), art 2(1).

⁷⁷ Economic Community of West African States (ECOWAS) Revised Treaty 1993, art 3(2)(d)

⁷⁸ Trade Dispute Act 2004, s6-9

discrimination, and application/interpretation of international labour standards. The court has been instrumental in national disputes just like in *FRN v ASUU*,⁷⁹ where the NICN engaged the Trade Disputes Act's strike-related constraints and ministerial powers. A major innovation is that the Court is mandated to apply and interpret international labour standards and international best practices in labour and employment.⁸⁰ This bridges gaps where domestic labour legislation is silent or outdated.

3.3.3 The Industrial Arbitration Panel (IAP)

The IAP is the statutory arbitration mechanism designed to resolve trade disputes efficiently.⁸¹ The Act also prescribes the Panel's composition and ministerial appointment powers and this confirms that it is a legally-created mechanism designed for industrial dispute settlement, not ordinary private arbitration.⁸² It is a quasi-judicial institution. It functions as a court of original jurisdiction in trade dispute matters.

3.3.4 Nigeria Social Insurance Trust Fund (NSITF)

The Employees' Compensation Act 2010 created a statutory compensation framework, and it empowers the NSITF Management Board to implement the Act and administer the Compensation Fund.⁸³ NSITF operationalises employee compensation rights. It administers the Employees' Compensation scheme and this translates statutory welfare promises into actual claims and payouts. A core protective design is that employees are entitled to compensation for disabling injury arising out of or in the course of employment and reinforces a welfare-oriented remedy channel for workplace harm.⁸⁴

⁷⁹ *ibid*

⁸⁰ CFRN 1999 (as amended), s 254C(1)(f); s 254C(2)).

⁸¹ TDA 2004, s9

⁸² TDA s9(2)

⁸³ Employees' Compensation Act (ECA) 2010, s2(2).

⁸⁴ ECA s 7(1).

3.3.5 National Pension Commission (PenCom)

PenCom ensures that pension contributions become an enforceable employment obligations. PenCom is charged with regulation and supervision and this ensures that retirement benefits are paid when due.⁸⁵ In terms of enforcement, the Perform Reforms Act strengthens compliance; it empowers by PenCom to institute criminal proceedings against employers for persistent failure to remit pension contributions, subject to statutory safeguards such as the required fiat of the Attorney-General.⁸⁶ In *National Pension Commission v Exclusive Stores Ltd*,⁸⁷ the NICN held that PenCom has statutory power to demand and inspect the defendant's pension records and enforce compliance, and that the defendant is under legal duty to remit contributory pension.

3.4 Core International Institutions Governing Contract of Employment in Nigeria

3.4.1 International Labour Organization (ILO)

The ILO is the most influential international institution and it shapes employment regulation in Nigeria because it operates simultaneously as (i) a global labour standard-setter, (ii) a technical assistance body supporting policy reforms, and (iii) a platform for tripartite labour governance (government–employers–workers). Nigeria engages with the ILO and this is operationalised through country-level labour programming. Notably the Decent Work Country Programme (DWCP) III 2023–2027 was developed with stakeholders including the Ministry of Labour in Nigeira and employment actors. The DWCP is not aspirational; it sets structured priorities for improving quality of work, labour governance, and rights-based protections.

3.4.2 Committee on Economic, Social and Cultural Rights (CESCR)

⁸⁵ PRA 2014, s18.

⁸⁶ PRA 2014, s 105.

⁸⁷ *National Pension Commission v Exclusive Stores Ltd* Suit No: NICN/ABJ/385/2019

The CESCR is important to the employment framework in Nigeria. This is because it is the authoritative interpretive body for labour-related obligations under the International Covenant on Economic, Social and Cultural Rights (ICESCR). Evidently, the decisions of the CESCR are not “binding court judgments” in the traditional municipal sense. However, the Committee shapes global labour expectations. It defines what states must do to make work meaningful, accessible, non-discriminatory, and dignified. A major interpretive instrument is General Comment No. 18 (Right to Work) and this clarifies that the right to work is not merely a promise of employment availability. Rather, it is a duty on states to create conditions that ensure access to freely chosen or accepted work and protect against discrimination in employment.

3.4.3 African Commission on Human and Peoples’ Rights

The African Commission is an important institution for employment in Nigeria because it regionalises the protection of labour rights. It links work-related injustice to human rights obligations under the African Charter. The commission shapes labour rights as part of broader regional justice concerning dignity, equality, economic survival, and protection of vulnerable workers.⁸⁸ In 2024, the African Commission adopted Resolution ACHPR.Res.584 (LXXVIII) 2024 and this provided guidelines on protecting the rights of workers in the informal economy. This resolution recognises that informal workers are often excluded from labour and social protection laws and that this leads to discrimination and criminalisation of livelihoods. The Commission therefore pushes African states (including Nigeria) to protect informal labour and this should be a central policy concern, not a secondary issue.

3.4.4 ECOWAS Community Court of Justice

⁸⁸ ACHPR, About < <https://achpr.au.int/en/about> > accessed 18 January 2026.

The ECOWAS Court provides a supranational accountability pathway relevant to employment and labour rights where domestic systems fail or where disputes involve regional institutions, cross-border mobility, or human rights violations connected to work. It extends labour protection beyond national boundaries, and it treats some employment-related harms as rights violations, not contractual disputes. This is significant in West Africa where migration creates vulnerability for workers in unfamiliar jurisdictions.⁸⁹

⁸⁹ ECOWAS Court, Mandate of the Court < https://courtecowas.org/about_us/mandate_jurisdiction/ > accessed 19 January 2026.

CHAPTER FOUR

CRITICAL ANALYSIS OF THE LEGISLATIVE AND INSTITUTIONAL FRAMEWORK GOVERNING CONTRACTS OF EMPLOYMENT IN NIGERIA

4.1 Strengths of the Legislative and Institutional Framework Governing Contracts of Employment in Nigeria

4.1.1 Constitutional and Statutory Recognition of Employment Rights

According to framework in Nigeria, employment is not a purely private bargain governed only by freedom of contract. Rather, employment is a regulated social relationship that implicates dignity, fairness, welfare as well as public policy. This is evident in the social objectives and rights in the constitution.⁹⁰ Under section 17 of the Constitution of the Federal Republic of Nigeria 1999 (as amended), the State is directed to pursue a social order founded on freedom, equality and justice. More so, the Third Alteration gives the NICN exclusive authority over labour and employment matters. Section 254C(1) of the Constitution gives the National Industrial Court of Nigeria exclusive jurisdiction in civil causes and matters relating to labour, employment, trade unions, industrial relations, national minimum wage, unfair labour practice, discrimination and sexual harassment at the workplace, international labour standards, and disputes over salaries, pensions, gratuities and other employee entitlements. Going further, section 254C(2) empowers the Court to deal with matters concerning the application of ratified international labour conventions, treaties and protocols. Section 254C(3) establishes an Alternative Dispute Resolution Centre within the Court.

In *Mr Fashina Idowu v Sparkwest Steel Industries Limited & Ors*,⁹¹ Suit No NICN/IB/18/2023, the NICN declared that discriminatory treatment in the non-payment of 13th-month salary was

⁹⁰ for example, freedom of association (which underpins collective bargaining) and right to dignity

⁹¹ *Mr Fashina Idowu v Sparkwest Steel Industries Limited & Ors*, Suit No NICN/IB/18/2023,

both discriminatory and an unfair labour practice contrary to section 254C(1)(f) of the Constitution. The statute also imposes minimum standards that limit employers from dominating in a contract of employment. For example, The National Minimum Wage (Amendment) Act 2024 sets a compulsory wage floor. This shows that Nigeria rejects the idea that wages should be determined solely by market bargaining in a high-inequality labour market. The 2024 minimum wage amendment raised the wage to ₦70,000 and shifted the review cycle to three years.⁹²

4.1.2 Institutional Mechanisms for Labour Dispute Resolution

There is a structured institutional ecosystem for resolving employment disputes. The Labour dispute architecture in Nigeria includes specialist institutions capable of handling employment matters with greater expertise and policy sensitivity. The NICN is the centrepiece of this framework because it has exclusive labour jurisdiction. In addition, it is empowered to address issues such as unfair labour practice and workplace discrimination. In addition, section 254C(3) permits the Court to establish an ADR Centre. This reflects an institutional preference for specialised, labour-sensitive dispute resolution. Labour conflicts are not always private disputes between two parties. Many are collective power struggles with economic and social consequences. Hence, a civil litigation model cannot easily handle such disputes efficiently or with adequate policy awareness. Beyond the NICN, trade disputes are channelled through statutory processes and this involves conciliation and arbitration pathways, and the Industrial Arbitration Panel (IAP). The IAP was created under the Trade Disputes Act to resolve collective labour conflicts.⁹³ The Trade Disputes Act also complements these structures because it provides a statutory route for handling collective labour disputes.⁹⁴ In *Solomon*

⁹² National Minimum Wage Act 2024, s2 (a) – (b); this amends section 3(1) of the principal Act

⁹³ *FRN v ASUU* NICN/ABJ/270/2022

⁹⁴ Trade Disputes Act, Cap T8, LFN 2004, s1-9

Adenubi & 14 Ors v Sterling Oil Exploration & Energy Production Company Ltd & 7 Ors,⁹⁵ the National Industrial Court explained that the procedure under the Trade Disputes Act contemplates settlement through mediation or conciliation before progression to the Industrial Arbitration Panel or the NICN as the case may be.

4.1.3 Incorporation of International Labour Standards

The framework in Nigeria is open to international labour standards and this allows Nigeria to modernise its labour governance even when domestic statutes are outdated. Indeed, international labour standards is valuable in Nigeria because it creates a corrective in areas where there gaps in domestic legislature. The NICN is empowered to handle matters connected with international best practices and the application or interpretation of international labour standards.⁹⁶ Hence, international norms are not persuasive political ideals. Rather, they are relevant interpretive tools. The NICN incorporates international conventions and best practices in labour adjudication.⁹⁷ In addition, Nigeria has also engaged with the ILO standards. This provide for rights such as freedom of association and protection against workplace discrimination. It is pertinent to note that international labour standards are not self-executing miracles. Their impact depends on judicial willingness to use them robustly. In *Dr Mrs Regina Eze v Federal Polytechnic Oko & Ors*,⁹⁸ the NICN reiterated section 254C(2) of the Constitution and affirmed that it has jurisdiction to deal with matters connected with the application of ratified international conventions, treaties and protocols relating to labour and employment.

⁹⁵ *Solomon Adenubi & 14 Ors v Sterling Oil Exploration & Energy Production Company Ltd & 7 Ors*, Suit No NICN/LA/403/2021

⁹⁶ CFRN 1999 (as amended) s254C(2)

⁹⁷ Nonso Anyasi, 'Application of International Best Practices and Conventions on Labour and Industrial Relations by the National Industrial Court of Nigeria' SSRN < <http://dx.doi.org/10.2139/ssrn.3251799> > accessed 28 March 2026.

⁹⁸ *Dr Mrs Regina Eze v Federal Polytechnic Oko & Ors* Suit No: NICN/EN/13/2025

4.1.4 Protection of Specific Categories of Workers

The framework in Nigeria protects specific categories of worker. This is achieved through welfare legislation. The Employees' Compensation Act 2010 is a major strength in this regard. The Act applies to employers and employees in both the public and private sectors and it places implementation in the hands of the Nigeria Social Insurance Trust Fund Management Board. Its design is protective socially. It provides guaranteed and adequate compensation for death, injury, disease or disability arising out of or in the course of employment. Section 7(1), in substance, gives an employee who suffers disabling injury arising from work an entitlement to compensation. In *Abbey Iyobu Robert v Port Harcourt Electricity Distribution Plc*,⁹⁹ the NICN stated that the Employee Compensation Act requires the employer to ensure notification and documentation of workplace injury so that the compensation process under the Act would work effectively. Occupational injuries are not rare accidents. They are labour market realities and these are common in construction, manufacturing, transport, and extractive-related sectors.

Going further, the pension framework is also important. The Pension Reform Act 2014 establishes the National Pension Commission (PenCom).¹⁰⁰ PenCom regulate and supervise the administration of pension and payment of retirement benefits.¹⁰¹ In *National Pension Commission v Exclusive Stores Ltd*,¹⁰² the NICN ordered the defendant to grant access to relevant records and to remit outstanding pension contributions in favour of its employees as may be established from inspection and investigation of the employer's records.

⁹⁹ *Abbey Iyobu Robert v Port Harcourt Electricity Distribution Plc*, Suit No NICN/PHC/43/2024

¹⁰⁰ Pension Reform Act 2014, s14(1)

¹⁰¹ Pension Reform Act 2014, s15

¹⁰² *National Pension Commission v Exclusive Stores Ltd*, Suit No NICN/ABJ/385/2019

4.2 Limitations of the Legislative and Institutional Framework Governing Contracts of Employment in Nigeria

4.2.1 Outdated and Narrow Scope of the Labour Act

In Nigeria, the labour market has modernised faster than the conceptual design of the Labour Act. Hence, the Labour Act is the most fundamental limitation in the framework in Nigeria. It is outdated and narrow in scope because it centres on the concept of “worker” and does not regulate modern employment relationships and categories. More so, it leaves many contemporary employment arrangements ungoverned. Hence, Labour adjudication rely on judicial tests because the statute itself is not modern enough to capture complex work forms. In *Shena Security Co. Ltd v Afropak (Nig.) Ltd*,¹⁰³ where the form of employment was not covered under the labour act, the Supreme Court defined the contractual relationship through its the substance(that is, the control and the nature of obligations).

4.2.2 Inadequate Protection Against Unfair Dismissal in an ordinary employment.

In Nigeria, it is legal to terminate an employment “for any reason or no reason” provided contractual notice is complied with. This leaves many workers with weak substantive security. In *Olaniyan v University of Lagos*,¹⁰⁴ the Supreme Court captured the orthodox common law position that a master may terminate employment for any reason or none. However, they must pay damages if termination is not done according to contract terms. This contrasts sharply with statutory flavour employment, where failure to comply with statutory termination procedures render dismissal null and void with possibilities for reinstatement. Notably, the legal system still has no codified legislation against unfair dismissal. Much still depends on whether the worker can persuade the Court to characterise the conduct as unfair labour practice or to draw

¹⁰³ *Shena Security Co Ltd v Afropak (Nig.) Ltd & 2 Ors* [2008] 18 NWLR (Pt 1118) 77 (SC)

¹⁰⁴ *Olaniyan v University of Lagos* [2004] 15 E-WRN / 02 (SC)

from international standards such as ILO Convention No. 158. This gap itself is a limitation because a protective result depends too much on judicial creativity.

4.2.3 Weak Enforcement and Institutional Constraints

There are weak enforcement capacity and institutional constraints even where the legal framework is progressive on paper (for example, minimum wage, pensions, right to compensation). Indeed, the national Minimum Wage amendment Act increased the wage floor to ₦70,000 and shortened the review cycle to three years.¹⁰⁵ However, Policy reform alone does not guarantee compliance (especially for informal employers, small businesses, or fiscally constrained institutions). The same problem affects pension and other statutory obligations. The Pension Reform Act 2014, for example, establishes contributory obligations and supervisory powers for PenCom. Even so, pension depends on how strongly penCom enforces the substantive law. In *Mr Amahian Idoni George v Technoglass Industries Ltd*,¹⁰⁶ the NICN treated the non-remittance of pension deductions to the employee's RSA as part of the unfair labour practice complained of. Similarly, In *National Pension Commission v Exclusive Stores Ltd*,¹⁰⁷ the Court ordered the employer to grant access to relevant records and remit whatever outstanding pension contributions inspection showed to be due. Going further, enforcement is difficult in a labour market with widespread informality. In essence, weak enforcement converts employment rights into “paper promises.” Workers may have legal entitlement to minimum wages or pension remittance. Yet, they may lack practical means to secure it.

¹⁰⁵ National Minimum Wage Act 2024, s2 (a) – (b); this amends section 3(1) of the principal Act

¹⁰⁶ *Mr Amahian Idoni George v Technoglass Industries Ltd*, Unreported Suit No. NICN/LA/213/2021

¹⁰⁷ *National Pension Commission v Exclusive Stores Ltd*, Suit No. NICN/ABJ/385/2019

4.2.4 Regulatory Gaps in Relation to Informalisation and New Forms of Work

In recent times, there is a rise in informalisation and new forms of work.¹⁰⁸ These are not captured by traditional statutory categories and common law tests designed for twentieth-century employment structures. Informalisation produces a regulatory paradox. A large percentage of Nigerian workers operate outside formal contracts, written terms, pension registration, and social insurance coverage. Yet, this the segment most exposed to exploitative wage practices and arbitrary dismissals. New work forms intensify this gap. For example, platform-based labour impose strict performance monitoring, pricing controls, and behavioural regulation while still labelling workers as “independent contractors.” If the law treats labels as determinative, workers lose protection. If courts require heavy proof to pierce labels, workers may still lose due to evidential disadvantage. In *Shena Security v Afropak*,¹⁰⁹ the court relied on the test of control and substance to decipher the nature of the relationship. Relying on judicial tests indicates that legislation has not fully modernised to handle newer labour patterns.

4.2.5 Limited Protection for Vulnerable Workers

In Nigeria, vulnerable workers¹¹⁰ receive limited protection regardless of the fact that the constitution and relevant legislation are committed to fairness and welfare. Vulnerable workers often lack written contracts, union representation, legal awareness, or the financial ability to pursue claims. They may also face retaliation, termination, or blacklisting for attempting to enforce their right. The constitutional framework does offer some remedy. Section 254C(1) of the Constitution places workplace discrimination, child labour, wages, pensions, unfair labour practice and labour-related civil causes within the jurisdiction of the National Industrial Court.

¹⁰⁸ outsourcing chains, platform-based labour, and disguised employment arrangements

¹⁰⁹ *Shena Security Co Ltd v Afropak (Nig.) Ltd & 2 Ors* [2008] 18 NWLR (Pt 1118) 77 (SC)

¹¹⁰ These include casual workers, informal workers, domestic workers, low-wage workers, migrant workers, and workers in precarious industries.

Section 17, in substance, also reflects the commitment of constitution to just and humane conditions of work as well as safety and welfare in employment. Even when laws exist, their impacts are limited because informal employment are dominant. Worse still, vulnerable workers are employed through outsourcing structures and this makes it difficult to identify the true employer responsible for obligations. In this environment, legal protections are fragmented. In *Joseph Uchechukwu Metu v Genesi Foods Nigeria Limited*,¹¹¹ the defendant argued that the claimant was merely a casual worker and had no written contract. The very fact that such arguments continue to arise shows that the claims of vulnerable workers are fragile evidentially

¹¹¹ *Joseph Uchechukwu Metu v Genesi Foods Nigeria Limited* Suit No: NICN/PHC/62/2023

CHAPTER FIVE

SUMMARY OF FINDINGS, RECOMMENDATIONS CONCLUSION

5.1 Summary of Findings

This project has critically analyse the legislative and institutional framework governing contract of employment in Nigeria. Firstly, it identified the legislative and institutional framework which govern contract of employment in Nigeria. It was found that the legal framework which governs contract of employment in Nigeria includes both municipal and international legislations. Municipal legislations include the Constitution of the Federal Republic of Nigeria 1999 (as amended), the labour act, the Employees' Compensation Act 2010, The Pension Reform Act 2014, National Minimum Wage (Amendment) Act 2024, Trade Unions Act, Trade Disputes Act (Cap T8, LFN 2004). International legislations include International Covenant on Economic, Social and Cultural Rights (ICESCR), African Charter on Human and Peoples' Rights, ECOWAS Treaty and Protocols on Free Movement and Labour Rights. It was also found that institutional framework includes both municipal and international institutions. Municipal institutions include Federal Ministry of Labour and Employment, The National Industrial Court of Nigeria (NICN), The Industrial Arbitration Panel (IAP), Nigeria Social Insurance Trust Fund (NSITF), National Pension Commission (PenCom), Trade Unions and Employers' Associations. International institutions include International Labour Organization (ILO), Committee on Economic, Social and Cultural Rights (CESCR), African Commission on Human and Peoples' Rights and ECOWAS Community Court of Justice.

Secondly, the project examined the strength of the legislative and institutional framework governing contract of employment in Nigeria. it was found that the framework recognise the employment through the constitution and the relevant statute in Nigeria. Under section 17 of

the Constitution of the Federal Republic of Nigeria 1999 (as amended), the State is directed to pursue a social order founded on freedom, equality and justice. More so, the Third Alteration gives the NICN exclusive authority over labour and employment matters. Section 254C(1) of the Constitution gives the National Industrial Court of Nigeria exclusive jurisdiction in civil causes and matters relating to labour and employment. The framework also provides an Institutional Mechanisms for Resolution of dispute relating to Labour. The NICN is the centrepiece of this framework because it has exclusive labour jurisdiction and constitutional authority to address issues such as unfair labour practice and workplace discrimination. Beyond the NICN, trade disputes are channelled through statutory processes and this involves conciliation and arbitration pathways, and the Industrial Arbitration Panel (IAP). The IAP was created under the Trade Disputes Act and it is empowered to resolve labour conflicts. Going further, the framework also incorporates international labour which protects against workplace discrimination. It is pertinent to note that international labour standards are not self-executing miracles. Their impact depends on judicial willingness to use them robustly. The framework also protects Specific Categories of Workers. The Employees' Compensation Act 2010 is a major strength in this regard. The Act applies to employers and employees in both the public and private sectors and it places implementation in the hands of the Nigeria Social Insurance Trust Fund Management Board. It provides guaranteed and adequate compensation for death, injury, disease or disability arising out of or in the course of employment. Section 7(1), in substance, gives an employee who suffers disabling injury arising from work an entitlement to compensation. The Pension Reform Act 2014 establishes the National Pension Commission (PenCom) to administer pension and pay retirement benefits.

Thirdly, the project also examined the weakness of the legislative and institutional framework governing contract of employment in Nigeria. It was found that framework is outdated and it has a narrow. This is because it relies on the Labour Act (which is an outdated legislation)

primarily. It does not regulate modern employment relationships and categories. More so, it leaves many contemporary employment arrangements ungoverned. Hence, Labour adjudication rely on judicial tests because the statute itself is not modern enough to capture complex work forms. The framework does not also protect against unfair dismissal in an ordinary employment. In Nigeria, it is legal to terminate an ordinary employment “for any reason or no reason” provided contractual notice is complied with. Going further, there are weak enforcement capacity and institutional constraints even where the legal framework is progressive on paper. The framework is also incapable of enforcing Informalisation and New Forms of Work. In recent times, there is a rise in informalisation and new forms of work. These are not captured by traditional statutory categories and common law tests designed for twentieth-century employment structures. Lastly, the framework also limited protection for vulnerable workers. Notably, vulnerable workers are employed through outsourcing structures and this makes it difficult to identify the true employer responsible for obligations.

5.2 Recommendations

Based the findings above, the following recommendations are proposed.

i. Comprehensive Reform of the Labour Act

There is need to comprehensively amend or replace the Labour Act, Cap L1 Laws of the Federation of Nigeria 2004. As this study has shown, the Labour Act remains the principal statute which regulates employment. However, it is outdated in structure and narrow in scope. This is because it revolves around the traditional concept of “worker” and it fails to respond to modern realities of labour. Consequently, many categories of employees¹¹² are left outside

¹¹² senior staff, outsourced workers, platform workers, and other non-standard workers

statutory protection. Therefore the act should be amended to adopt a broader and functional definition of employment based on the economic reality of the relationship.

ii. Enactment of Statutory Protection Against Unfair Dismissal

Secondly, Nigeria should enact statute which prohibit unfair dismissal in ordinary employment. The study reveals that one of the most significant gaps in the present framework is that an employer may terminate ordinary employment for any reason or no reason at all, so long as contractual notice is given. This weakens job security. More so, workers are kept in precarious situations in a labour market marked by unemployment and unequal bargaining power. Accordingly, the law should require every employer to provide a valid reason for termination. In addition, employers should comply with minimum procedural fairness before dismissal. The law should also provide remedies beyond salary in lieu of notice. These include reinstatement (where appropriate) and sanctions against victimisation.

iii. Strengthening Enforcement Institutions and Labour Administration

There is a need to strengthen the capacity of labour institutions. This study found that labour protections remain stronger on paper than in practice because enforcement is weak. To address this, the Federal Ministry of Labour and Employment should be equipped with digital monitoring systems. More so they should be empowered to enforce compliance standards. In addition, labour inspection should become more decentralised and proactive (especially in sectors known for abuse such as construction, manufacturing, private security, transport, domestic work, and outsourced services). PenCom and NSITF should also be strengthened to improve compliance and prosecution of violators. In addition, there is a need for cooperation between the Ministry of Labour, PenCom, NSITF, trade unions, and the NICN so that labour rights do not operate in fragmented silos.

iv. Formalisation of Employment Documentation and Written Terms

The law should focus on formal documentation of employment relationships. The study identified that many workers do not receive written contracts. In addition, vague or one-sided terms often undermine enforcement of labour standards. Employers should be obligated to issue written particulars of employment within a short period after engagement. The law should also prescribe penalties for non-compliance.

v. Targeted Protection for Casual and Vulnerable Workers

The reforms must also focus on vulnerable workers which include casual workers, low-wage workers, domestic workers, migrant workers, outsourced workers, and workers in precarious sectors face. It was found that vulnerable workers are not protected legally because they often lack written contracts, union support, legal awareness, as well as financial capacity to enforce rights. Accordingly, the law should protect vulnerable workers. They should be granted access to compensation and pension schemes where applicable.

vi. Regulatory Framework for Platform Work and Emerging Labour Models

Nigeria should develop a framework for platform work and other emerging labour models. It was suggested that platform work and other digital labour arrangements expose the weakness of traditional employee/independent contractor categories. A new framework should define the employment status of platform workers. This should utilise practical indicators including economic dependence, algorithmic control, pricing control, disciplinary power, and integration into the business model of the platform. To that effect, the labour regulation in Nigeria should not be built around twentieth-century assumptions about work. The law must evolve if it is to remain relevant and effective.

vii. Domestication and Operational Use of International Labour Standards

Finally, Nigeria should domestic and operationalise international labour standards. To that effect, they should be incorporated into legislation. This would strengthen the coherence between municipal law and international obligations.

5.3 Conclusion

This study has examined the legal and institutional framework which governs contracts of employment in Nigeria. It was found that the framework is significant as well as imperfect. On the one hand, Nigeria possesses important legislations and institutions. On the other hand, the study found that this framework remains weak because of institutional deficiencies. More so, the law has not kept pace with the realities of the modern labour in Nigeria. In conclusion, the legal and institutional framework which governs contracts of employment in Nigeria is neither wholly inadequate nor sufficient. Its foundations are commendable. However, they require reform if they are to remain relevant and coherent. The task before Nigeria is to modernise the existing framework as well as broaden its coverage.

BIBLIOGRAPHY

Books

Agomo, C K, *Nigerian Employment and Labour Relations Law and Practice* (Concept Publications 2011).

Emiola, A, *Nigerian Labour Law* (Emiola Publishers 2008).

Finnis, J, *Natural Law and Natural Rights* (2nd edn, Oxford University Press 2011).

Hart, H L A, *The Concept of Law* (Clarendon Press 1994).

Kanyip, B B, *National Industrial Court Jurisdiction: “How Narrow is Narrow”?* (Hybrid Consult 2021).

Ogunniyi, O, *Nigerian Labour and Employment Law in Perspective* (Folio Publishers Ltd 2021).

Pound, R, *An Introduction to the Philosophy of Law* (Yale University Press 1922).

Sagay, I E, *Nigerian Law of Contract* (3rd edn revised, Spectrum Law Publishing 2018).

Sanni, A, *Introduction to Nigerian Labour Law* (3rd edn, University of Lagos Press 2021).

Treitel, G H, *The Law of Contract* (11th edn, Sweet & Maxwell 2003).

Uvieghara, E E, *Labour Law in Nigeria* (Malthouse Press 2001).

Journals

Abangwu, N E, Oyibodoro, U G, Eyongndi, D T-A, Shaba, S and Opara, F O, ‘Measurement of quantum of damages for wrongful termination of employment in Nigeria: gleanings lessons from Ghana and Malaysia’ [2025] (12) (2) *Lentera Hukum* 198–228
https://www.researchgate.net/publication/396772620_Measurement_of_Quantum_of_Damages_for_Wrongful_Termination_of_Employment_in_Nigeria_Gleaning_Lessons_from_Ghana_and_Malaysia accessed 16 December 2025.

Bamgboye, M, ‘Scope of application of the Nigerian Labour Act: a call for concern?’ [2025] *SSRN Electronic Journal* https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5320904 accessed 16 December 2025.

Ekpete, G S and Mac-Jaja, A A, ‘An appraisal of reinstatement in private sector employment in Nigeria’ [2025] (12) (5) *Nnamdi Azikiwe University Journal of Commercial and Property Law* 87–95.

Holmes, O W Jr, ‘The Path of the Law’ [1897] (10) *Harvard Law Review* 457.

Nonso Anyasi, ‘Application of International Best Practices and Conventions on Labour and Industrial Relations by the National Industrial Court of Nigeria’ *SSRN* <http://dx.doi.org/10.2139/ssrn.3251799> accessed 28 March 2026.

Onu, N, ‘An analysis of workers’ protection in the Labour Act 2004 and the Employee’s Compensation Act 2010 in Nigeria’ [2024] (10) (1) *African Journal of Energy and Environmental Law* 185–193 <https://ajieel.com/index.php/a/article/view/114> accessed 16 December 2025.

Ofulue, P O and Nwabuoku, I M O, ‘Legal protection for informal/casual workers: a comparative study of Nigeria and Australia’ [2025] (9) (9) *International Journal of Research and Innovation in Social Science* 9010–9020.

Salawu, B M S, ‘Legal framework for the determination of employment contract under the Nigerian labour law’ [2025] (4) (2) *UCC Law Journal* 209–241.

Umeobika, C Q and Anyim, I C, ‘The role of the National Industrial Court in industrial conflicts in Nigeria’ [2023] (19) (3) *UNIZIK Law Journal* 172–190 <https://journals.ezenwaohaetorc.org/index.php/ULJ/article/download/2697/2822> accessed 16 December 2025.

Yagba, J-F T, ‘Digital platform work: a transformation of traditional employment relations in Nigeria’ [2021] (10) *Benue State University Law Journal* 157–174.

Internet Materials

African Commission on Human and Peoples' Rights, 'About' <https://achpr.au.int/en/about> accessed 18 January 2026.

ECOWAS Court, 'Mandate of the Court' https://courtecowas.org/about_us/mandate_jurisdiction/ accessed 19 January 2026.

International Labour Organization, 'Nigeria' <https://www.ilo.org/regions-and-countries/africa/nigeria> accessed 19 January 2026.

Kanyip, B B, 'Labour laws and trade unions in Nigeria' (Keynote lecture delivered at the 2024 NLC and TUC Pre-May Day Lecture, Olaitan Oyerinde Hall, Labour House, Abuja, 29 April 2024) <https://www.nicnadr.gov.ng/Content/Labour-Laws-and-Trade-Unions-in-Nigeria.pdf> accessed 16 December 2025.