The Applicability of Alternative Disputes Resolution Mechanisms to Labour Disputes in Nigeria.

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ABSTRACT
The aim of this paper is to present an analytical study of alternative dispute resolution (ADR) mechanisms and its application in employment/labour disputes in Nigeria. This paper offers an understanding of the need for ADR in labour relations and the recognition by the courts, of the necessity to explore ADR methods. The outcome of this study affirms that constitutional recognition being given to the National Industrial Court in relation to its powers to create and manage an ADR centre, does not only speak of the courts duty to promote ADR in industrial disputes but of parties to such disputes to submissively explore ADR processes prior to litigation, and to seek the best advantage towards peaceable labour conflict resolutions.

Keywords: Labour, Dispute, Alternative Dispute Resolution (ADR), National Industrial Court

1.0 INTRODUCTION
Rationally, human relations especially in trade or business settings must in certain circumstances and conditions, produce conflict or dispute, despite the provisions of the law on industrial rights protections, privileges and contracts. Peter Drucker had expressed that ‘Management and union may be likened to that serpent of the fables who on one body had two heads that fighting with poisoned fangs, killed themselves.’ Nonetheless, contemporary dispute resolution is making the paradigm shift from determination of disputes by a third party based on decisions on what is ‘right’ and ‘wrong’ as in litigation and the celebration of success or failure by parties, towards resolutions found on fostering continuance and sustainable relationships and peace keeping, which represent the bedrock of ‘integrative bargaining’ and mediation in industrial relations. The impact of a dispute resolved by adversarial methods, especially litigation, can cripple business relationships. Ogunyawo extolled Alternative Dispute Resolution as he observed that:

Some call it Appropriate Dispute Resolution; others call it Amicable Dispute resolution. Still others, who believe that its origin is firmly rooted in Africa, call it African Dispute Resolution. Whatever you may wish to call it, the fact

remains that there is a crying need to supplement litigation through more peaceful and user-friendly options for resolving disputes. Industrial conflicts could arise in the workplace, since the interests of management and labour do not always coincide. Failure or inability of the parties to resolve an emerging conflict may eventually result into a trade dispute, which itself could precipitate an industrial action. Resolution of disputes is one of the primary concerns of labour law. The resolution of labour disputes is often shrouded in controversy and fraught with difficulties, arising from regulatory frameworks as well as operational relations. The objectives of alternative dispute resolution include: reducing delays, costs and congestions in court; enhancing adequate participation by parties in the dispute resolution process and facilitation of access to justice by the parties. Some of the advantages of ADR are evident in its less adversarial nature which promotes continued business and personal relationships between parties, its less expensive form as compared to litigation in the regular courts, and its less formal and more sensitive nature to the concerns of the parties and to peculiar employment situations.

2.0 DEFINITION OF TERMS

1. Dispute: Dispute generally means ‘to struggle against or over oppose’. Dispute can both be constructive and destructive in nature. Managers and workers in many organizations are placed at variances, as the relationship of master/servant make them traditional adversaries. Alternative Dispute Resolution: Black’s Law Dictionary identifies that ADR as an acronym, means Alternative Dispute Resolution. Alternative Dispute Resolution relates to ‘procedure for settling a dispute by means other than litigation, such as arbitration or mediation.’ By article 10(2) of the National Industrial Court of Nigeria, Alternative Dispute Resolution (ADR) Centre Instrument, 2015, ‘ADR’ means ‘Alternative Dispute Resolution which for the purpose of this Centre includes mediation or conciliation that involves the use of Mediator, Conciliator or Neutral who may facilitates the resolution of a dispute before the Centre.’ ADR encompasses a variety of methods for the resolution of disputes between conflicting parties. ADR is referred to by the International Labour Organisation (ILO) as being a substitute for the court system, namely: a set of processes that comprise of negotiation, conciliation, mediation and arbitration.

3. Labour: Black’s Law Dictionary defines labour as ‘work of any type, including mental exertion.’ It further defines a labourer as a person who makes a living by physical labour-a worker. Labour is the amount of physical, mental, and social effort used to produce goods and services in an economy. It

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7 Ibid., 198-199
8 Ibid
9 Merriam-Webster Incorporated, *Webster’s All-In-One Dictionary and Thesaurus* (Federal Street Press 2008) 185
12 Garner (n11) 91
13 Article 10 (2) NICN, Alternative Dispute Resolution (ADR) Centre Instrument 2015
16 Garner (n11) 952
17 Ibid
supplies the expertise, manpower, and service needed to turn raw materials into finished products and services.\(^\text{18}\)

4. **Labour Law**: Labour law is the varied body of law applied to such matters as employment, remuneration, conditions of work, trade unions, and industrial relations.\(^\text{19}\) It is the field of law governing the relationship between employers and employees,\(^\text{20}\) especially law governing the dealing of employers and the unions that represent employees.\(^\text{21}\)

5. **Trade Disputes**: Section 54 (1) of the Nigerian National Industrial Court Act (NICA) 2006 defines trade dispute, and the effect of the definition is that any controversy between an employer and an employee on terms and conditions of employment, employment or non-employment of a person, any alleged dispute, as well as the conclusion or variation of a collective agreement is a labour dispute on which the National Industrial Court has jurisdiction.\(^\text{22}\) Okene expressed that a trade dispute must be between the proper parties and in respect of the proper subject matter.\(^\text{23}\) Furthermore, a trade dispute invokes the conciliation and arbitration jurisdiction provided in the Trade Disputes Act (TDA),\(^\text{24}\) and the jurisdiction of the National Industrial Court (NIC).\(^\text{25}\)

### 3.0 PRACTICING ADR METHODS IN LABOUR CONFLICTS’ RESOLUTION

The need for ADR has grown over the years due to the backlog and cost of the court system. The focus of ADR is to help parties settle their dispute through an informal and less expensive process. Also, specialized industry customs and practices play a key role in the choice between litigation and ADR mechanisms. Just as commercial transactions require inclusion of certain ADR clauses in agreements, to avoid unfamiliar dispute resolution procedures; employment contracts and employment laws also desire that the use of ADR in employment/labour conflicts remain the preferred choice of the parties.

It is emphasized at this point that regulation by the Arbitration and Conciliation Act (ACA) 2004 is a framework for the settlement of commercial disputes through arbitration and conciliation, and does not regulate ADR mechanisms in labour agreements or employment disputes. ADR mechanisms are fully entrenched in the Nigerian legal system through judicial pronouncements and legislative provisions. By Rule 15(3)(d) of the Rules of Professional Conduct for Legal Practitioners 2007, legal practitioners also have a duty to inform clients of the option of resolving employment disputes through ADR processes before resorting to or continuing litigation on behalf of such clients.\(^\text{26}\) Industrial ADR options such as negotiation, mediation, early neutral evaluation and the hybrids etc., are largely not regulated by statute. However, Lord Denning MR in *Taunton-Collins v Cromie*,\(^\text{27}\) stated that:

> It seems to me most undesirable that there should be two proceedings in two separate tribunals - one before the official referee, the other before an arbitrator - to decide the same question of fact. If the two proceedings should go on independently, there might be inconsistent findings …. There would be much

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20 On meaning and nature of employer-employee relationship, see *The Regd. Trustees of CAC v Dada* [2017] 2 NWLR (Pt 1548) 61
21 Also termed industrial law. Garner (n11) 952
22 *Osoh v Unity Bank Plc* [2013] 9 NWLR (Pt 1358) 1 at 38, Paras E-F; 39, paras B-C. In *National Union of Road Transport Workers v. Ogodo* [1998] 2 NWLR (Pt 537) 189 at 191, the Court of Appeal held, *inter alia*, that the word “dispute” means to make a subject of argument; to contend for; to oppose by argument; or to call in question.
24 ss 8-9, 14-21 Trade Disputes Act (TDA), Cap. T18, LFN 2004
25 ss 20(1), 21TDA 2004 on the exclusive jurisdiction of the NIC. See *Osoh v Unity Bank Plc (Supra)* at 49, para. B-C,50
26 ss 4, 6, and 8 of the TDA 2004; Or 10 Magistrates’ Courts of Rivers State (Civil Procedure) Rules 2007.
27(1964) 2 All ER 332 at 333
extra cost involved in having two separate proceedings going on side by side and there would be more delay.\textsuperscript{28}

ADR includes arbitration, conciliation, mediation, negotiated rulemaking, negotiation, early neutral evaluation by an independent third party or expert, enquiries, neutral fact-finding, and mini-trials, as well as other international practices, judicial appraisal, ombudsmen etc.\textsuperscript{29} The goal of ADR, with the exception of arbitration,\textsuperscript{30} is to provide the parties involved with a forum to work towards a voluntary, consensual agreement. Collective bargaining is a means of regulating relations between management and employees and for settling disputes between them. The contract of employment is by nature imbalanced due to the fact that its content is largely determined by the employer by virtue of him owning the means of production and this places employers in a stronger bargaining position.\textsuperscript{31}

Reference of industrial/trade disputes to ADR under the Trade Dispute Act is achieved in four ways:\textsuperscript{32}

i. Resolution by a mediator.\textsuperscript{33}

ii. Resolution by a conciliator.\textsuperscript{34}

iii. Resolution by arbitration tribunal.\textsuperscript{35}

iv. Reference to a board of inquiry.\textsuperscript{36}

By Or 2 (2) of the National Industrial Court of Nigeria (NICN) Alternative Dispute Resolution (ADR) Centre Rules, 2015,\textsuperscript{37} ‘ADR Centre’ means the Alternative Dispute Resolution Centre established by the Court pursuant to Section 254(C)(3) of the 1999 Constitution (as amended) and by virtue of article 2(1) of this NICN ADR Centre Instrument, 2015. Conciliation means bringing two opposing sides together to attempt settling the matter without proceeding to trial. It is also a process of an amicable settlement of disputes in a friendly and win-win situation.\textsuperscript{38} Neutral means an impartial and unbiased individual appointed by the President of the Court in accordance with the provisions of NICN, ADR Centre Instrument to mediate or conciliate in a dispute or issue referred to the NICN ADR Centre.\textsuperscript{39}

Mediation on the other hand is a voluntary process where an impartial third party initiates communication with the aim of helping conflicting parties reach a resolution. Under the NICN ADR Centre Rules, 2015, mediation is a dispute resolution technique in which an impartial third party, the mediator, or conciliator, neutral appointed by the President of the Court in line with these Instrument facilitates negotiation or mediation between or amongst the parties in a dispute, and in order to help them to arise at an amicable and acceptable settlement.\textsuperscript{40}

4.0 ADR MECHANISMS IN TRADE DISPUTE SETTLEMENTS: EXPANDING THE BORDER LINE WITH THE NATIONAL INDUSTRIAL COURT OF NIGERIA (NICN)

A closer consideration of ADR mechanisms in Nigeria reveals that within the Nigerian context, ADR is seen as a quick, relatively non-adversarial and objective process for resolving disputes when compared to

\textsuperscript{28} Ibid
\textsuperscript{29} Abiala (n3) 179
\textsuperscript{30} Arbitration in workplace dispute is mostly used to determine bridge of collective agreement and grievances arising from terms and conditions of employment as contained in the collective agreement.
\textsuperscript{32} Obi-Ochialator (n10) 74
\textsuperscript{33} ss 4(2) Trade Disputes Act (TDA), Cap. T18, LFN 2004
\textsuperscript{34} ss 5(2)(a), 8 TDA 2004
\textsuperscript{35} ss 5(2)(b), 9 TDA 2004
\textsuperscript{36} ss 5(2)(c), 33 TDA 2004
\textsuperscript{37} National Industrial Court of Nigeria Alternative Dispute Resolution (ADR) Centre Rules 2015
\textsuperscript{38} Ibid
\textsuperscript{39} Ibid
\textsuperscript{40} National Industrial Court of Nigeria Alternative Dispute Resolution Centre Rules2015; Obumneme-Okafor N J, Current Perspectives in Law: Relating to Industrial Relations Management and Administration in Nigeria (Rhyce Kerex Publishers 2014) 170
litigation. The court in *Coca-Cola Nig Ltd v T. Akinsanya*,\(^{41}\) expressed that ‘employment and its terms and conditions are not only incidental to, but integral matters in labour law.’ Under the 2004 Trade Disputes Act, the first stage in the process of resolution of trade dispute is for the parties to explore internal procedures made available within the organization, or between the parties. If and when this initial attempt fails the next alternative is that the parties jointly agree on the appointment of a neutral and impartial third party known as the mediator. The process of mediation is considered before conciliation and arbitration of employment or industrial disputes in Nigeria.\(^{42}\)

In circumstances where settlement is not reached after attempts at negotiation and mediation with the parties, the process moves to conciliation, and if the conciliator can report in writing to the Minister, of the failure to resolve the dispute at conciliation, the dispute is referred for settlement at the Industrial Arbitration Panel (IAP). The failure of the parties to resolve the dispute at conciliation indicates their readiness to hand over their right to decide the outcome of resolution to the arbitrator, and further to a board of enquiry. It also illustrates the preparedness of the parties to accept the outcome of arbitration and its implication on trade unions and management relationship.\(^{43}\) The award of the IAP is not communicated by the panel to the parties, instead it is sent to the Minister, to consider it, before presenting the award to the disputing parties. If the parties are unhappy with the award at the end of arbitration, they can refer the case to the court with jurisdiction on labour matters: The National Industrial Court of Nigeria (NICN).\(^{44}\)

Although all these processes are different forms of Alternative Dispute Resolution methods, that tend to help parties settle their disputes outside of the court forum, there can be true winners and losers in arbitration, as distinct from mediation or negotiation. Mediation seeks for compromise and a win-win situation, while arbitration seeks to justify a win-lose verdict. Also, while other processes require information gathering, arbitration focuses more on evidence, witnesses and law application to reach an award. The Court did not fail to express that

> Organised labour is the bedrock of the nation. Dispute arising from such labour or trade needs to be settled as quickly as possible, because failure to do so might grind to a halt the economy of the nation. This is the reason why the constitution intends the expeditious trial/settlements of matters before the NIC.\(^{45}\)

The NICN has the authority to preside over matters relating to Factories Act, Trade Disputes Act, Trade Unions Act, Workmen’s Compensations Act or any other Act or Law involving labour, employment, industrial relations, workplace or any other enactment replacing the Acts or Laws. Furthermore, the NICN has the authority to apply its influence on matters connected with the grant of any order restraining any person or body from taking part in any strike, lockout or any industrial action, or any conduct in furtherance of a strike, lock-out or any industrial action. The NICN’s prerogative also covers disputes that are connected with unfair labour practice or international best practices in labour, employment and industrial relation matters, interpretation of international labour standard connected with child labour, child abuse and human trafficking.\(^{46}\)

By Or 24 of the National Industrial Court of Nigeria (Civil Procedure) Rules, 2017\(^{47}\)

> 1. The President of the Court or a Judge of the Court may refer for amicable settlement through conciliation or mediation any matter filed in any of the Registries of the Court to the Alternative Dispute Resolution Centre (hereinafter referred to as the Centre) established within the Court premises pursuant to

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\(^{41}\) [2017] 17 NWLR (Pt 1593) 74 at 131-132, paras H-A

\(^{42}\) Ige (n15) 265

\(^{43}\) *Ibid.*, 266. The legal basis of an arbitral submission is contractual, the agreement to arbitrate which is crystallized in the submission on points stated for the decision of the arbitrator. Per Ogundere JCA in *Kano State Urban Development Boards v Fanz construction company Limited* [1986] 5 NWLR (Pt 74) 86; s 1 Arbitration and Conciliation Act 1988.

\(^{44}\) s 9 of the TDA 2004.

\(^{45}\) *Adebayo and Others v Gov. Board, RUGIPOLY Ondo and Anor* [2017] 4 NWLR (Pt 1555) 264 at 291

\(^{46}\) s 7 (1) - (6) National Industrial Court Act No. 1, 2006; S 254C (1) - (6) of The Constitution of the Federal Republic of Nigeria (CFRN) (Third Alteration) Act, 2010

\(^{47}\) National Industrial Court of Nigeria (Civil Procedure) Rules 2017
Section 254C (3) of the 1999 Constitution (as amended by the Third Alteration Act, 2010) and Article 4(5)(a)–(e) of the Instrument of the Alternative Dispute Resolution Centre.

7. (1) Where parties to any mediation or conciliation process are unable to settle their dispute amicably, the Director of the Centre shall submit a report to that effect to the President of the Court or the Judge of the Court who made the referral without the record of the mediation or conciliation session(s).

(2) Where the matter was not resolved by the Centre, the matter shall be remitted to the President of the Court or the Judge who referred the matter within five (5) working days, to be set down for adjudication in accordance with the Rules of the Court.

8. Where parties are unable to settle their disputes through the mediation or conciliation process, the Court may set the matter down for hearing and determination on its merits, and the procedure laid down for trial of cases under the Rules of Court shall be followed for the determination of the matter.

Abiala explains that the position of ADR within NIC’s Jurisdiction is no doubt promising to the efficiency of mediation, conciliation and arbitration as judicial method of trade dispute settlement and resolution.48 By the provisions of Section 254C (3) of the 1999 Constitution of the Federal Republic of Nigeria (Third Alteration) Act 2010, questions as to the source of power, the authority and legality of such power and authority is therefore not in doubt. Although the word ‘may’ is used under the provision; constitutionally making the act discretionary, it remains that ADR as a non-adversarial, cheaper and faster dispensation of justice has been statutorily recognized.49 This is no doubt in the interest of the economic stability of the country with potential for attraction of investment.50

The Supreme Court stated in Skye Bank Plc v V. A. Iwu, that ‘The constitution of the Federation Republic of Nigeria (Third alteration) Act, 2010 recognized the National Industrial Court as a specialized court. And section 254C of the Act provides for the exclusive jurisdiction of the court over all labour and employment issues.’51 The Alternative Dispute Resolution Centre is established to resolve certain disputes arising from labour, employment, industrial relations, workplace, etc., between parties using the process of mediation and/or conciliation. The purpose of the Centre is to use the Alternative Dispute Resolution techniques to assist parties to resolve their dispute and arrive at mutually acceptable agreement in less costly, speedy and efficient manner. It is aimed at preserving relationship through reconciliation of parties in dispute thereby engendering industrial peace and harmony ingredients that are germane for economic and industrial development of the country.

The reference to ADR Centre by the NICN (Civil Procedure) Rules 2017 emanates from the Powers of the court; constitutionally derived. S 254C (3) of the Constitution of the Federal Republic of Nigeria (CFRN) (Third Alteration) Act, 2010 as identified previously provides as such, and,

… Provided that nothing in this subsection shall preclude the National Industrial Court from entertaining and exercising appellate and supervisory jurisdiction over an arbitral tribunal or commission, administrative body, or board of inquiry in respect of any matter that the National Industrial Court has jurisdiction to entertain or any other matter as may be prescribed by an Act of the National Assembly or any Law in force in any part of the Federation.52

48 Abiala (n3)189
49 Abiala (n3)
50 Ibid
51 [2017] 16 NWLR (Pt 1590) 24 SC at 173, para H. On the nature of the NIC, the Court held in Adebayo and Others v Gov. Board, RUGIPOLY Ondo and Anor (Supra) at 284, Para. A, that ‘the National Industrial Court is a specialized court and because it is a specialized court, it is the newest superior court of record under the constitution.’
52 s 254C (3) CFRN (Third Alteration) Act, 2010
However, subject to the provisions of any Act of the National Assembly, the President of the National Industrial Court may make rules for regulating the practice and procedure of the National Industrial Court.\(^{53}\) This reminds us of practices that defeat the goals of ADR mechanisms. Okene criticized the procedure for the settlement of trade dispute in Nigeria under the TDA 2004, as being overly bureaucratic and cumbersome, and defeating the objective of the machinery for dispute settlement, impartiality and speedy resolution of disputes. He emphasized that the procedure of ADR through the minister of labour, disallowing parties from taking their disputes directly to the arbitral bodies remains a clog. The IAP can only act upon a case referred to it by the Minister, and its award is communicated to the Minister alone and not to the parties affected. He identified that another problem relates to fears of bias on the part of the Minister, in appointing a conciliator or arbitration tribunal members.\(^{54}\)

Any procedure for the resolution of dispute which is centered around any ministerial function and of Government in this country - if our experience in the past is anything to go by - is bound to be annoyingly slow. The minister is surrounded by die-hard bureaucrats without whose advice, he may not, and in most cases cannot, act.\(^{55}\)

Nonetheless, statutory reforms in the labour and industrial sector in the areas of the Labour Act, the Trade Disputes Act, the establishment of the Industrial Arbitration Panel, the National Industrial Court Act and the CFRN (Third Alteration) Act, 2010 have greatly enhanced the powers of the National Industrial Court of Nigeria and indeed, expanded its jurisdiction. Consequently, the establishment of the NICN ADR Centre and its accompanying 2015 Rules, as well as the regulation under the NICN 2017 (Civil Procedure) Rules, is a welcome development to promoting ADR and to ADR practitioners, and a gradual shift from industrial disputes ADR smothering practices.

5.0 CONCLUSION

By the provisions of s 254F (1) CFRN (Third Alteration) Act 2010, the 2017 Rules of the NICN is subject to the provisions of an Act of the National Assembly, and rightly so, and whether or not the provisions of the rules foster better appreciation of ADR in industrial or employment issues, the complexities identified under the provisions of ss 4-15 of the 2004 Trade Dispute Act still remain. This is so unless the parties attempt to settle the dispute by means agreed upon; apart from the Trade Dispute Act 2004, and so long as the Minister for Labour does not exercise his so-called power of apprehension.\(^{56}\)

It may perchance be expressed in this paper, that where employment contacts, labour union agreements, or other kinds of industrial agreements etc., are prepared, properly drafted ADR clauses should not fail to be included. This careful consideration not only allows parties enjoy ADR mechanisms in employment disputes, without the complexities under the Trade Disputes Act (in the absence of the minister’s interest), but affords parties the opportunity of exploring the best advantage.

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\(^{53}\) s 254F (1) CFRN (Third Alteration) Act, 2010

\(^{54}\) ss 4- 17 TDA 2004; Okene (n23) 304 - 305


\(^{56}\) ss 4 and 5 TDA 2004
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