journals.unizik.edu.ng/index-php/jcpl
ISSN: 2736-0342
NNAMDI AZIKIWE UNIVERSITY, AWKA
JOURNAL OF COMMERCIAL AND PROPERTY LAW

Examining the Legal and Regulatory Framework for Safeguarding Employee Rights in Nigerian Mergers and Acquisitions

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Abstract

With the growth of Nigeria's economy and the increasing presence of multinational corporations, mergers and acquisitions have become more common, raising concerns about employee treatment during these transactions. Using doctrinal research methodology, this paper examined the legal and regulatory frameworks governing mergers and acquisitions in Nigeria, focusing specifically on the protection of employee rights. The findings of this paper revealed strengths, weaknesses, and gaps within the current framework, highlighting the need for improvements to ensure fair treatment, transparency, and accountability. Recommendations were made to strengthen employee rights protection in Nigerian mergers and acquisitions transactions, with the goal of promoting trust, social responsibility, and organizational stability. This inquiry contributes to advancing the principles of equity, justice and sustainable development in the corporate landscape of Nigeria.

Keywords: Employee rights, Framework, Legal, Regulatory, Mergers and Acquisitions, Nigeria.

1. Introduction

Mergers and Acquisitions have emerged as strategic tools for companies seeking to achieve growth, expand market reach, and enhance competitive positioning in the global business environment.[1] In Nigeria, as in many other emerging economies, Mergers and Acquisitions transactions have become increasingly prevalent, driven by factors such as globalization, technological advancements, and the pursuit of economies of scale.[1] However, while Mergers and Acquisitions activities offer various benefits, they also raise significant implications for stakeholders, particularly employees whose rights and interests must be safeguarded throughout the process.

The protection of employee rights in the context of Mergers and Acquisitions transactions in a critical aspect of corporate governance and social responsibility. Employees represent a vulnerable stakeholder group whose livelihoods and well-being are directly impacted by corporate decisions.[2] As such, ensuring fair treatment, transparency, and respect for their rights is essential to fostering a conducive and sustainable business environment. In Nigeria, where the labour market faces

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[1] A O Akpotohwo, The Impact of Mergers and Acquisitions on Corporate Performance in Nigeria', (2019) 7(7) *International Journal of Economics, Commerce and Management*, 294-307.

[2] D S Sharma & V Ho, 'Employees' Perception of Fairness during the Process of Mergers and Acquisitions. (2002) 31(6) *Personnel Review*, 688-710.

numerous challenges, including inadequate legal protections and enforcement mechanisms, addressing the concerns of employees in Mergers and Acquisitions transactions is of paramount importance.[3]

Against this backdrop, this paper aims to examine the legal and regulatory Frameworks for safeguarding employee rights in Nigerian Mergers and Acquisitions transactions. By conducting a critical analysis of the legal and regulatory frameworks, this paper seeks to elucidate the existing safeguards, identify key challenges faced by employee, and propose recommendations for enhancing the legal framework to ensure robust protections.

2. Legal and Regulatory Framework on Mergers and Acquisitions in Nigeria

Mergers and Acquisitions represent significant corporate transactions that have the potential to reshape industries, enhance market competitiveness, and drive economic growth. In Nigeria, the legal framework governing mergers and acquisitions transactions is multifaceted, encompassing statutes, regulations, regulatory bodies, and judicial decisions aimed at promoting transparency, protecting shareholders' interests, and ensuring compliance with applicable laws.

2.1 Federal Competition and Consumer Protection Act

Federal Competition and Consumer Protection Act[4] is a law that regulates competition and consumer protection in Nigeria. The FCCPA makes provision for the creation of the FCCPC. The Commission acts as the competition regulator empowered to prevent and punish anti-competitive practices, regulate mergers, takeovers and acquisitions, and protect regulated industries in every sector and location in Nigeria. It also creates a Competition Tribunal to deal with any disputes and concerns that may arise. Under the FCCPA, mergers are classified into two namely: small and large mergers.[5] A small merger means a merger with a value at or below the threshold stipulated by the FCCPC by regulations while a large merger means a merger with a value above the threshold stipulated by the FCCPC by regulations.[6] Thus, in order to give a better interpretation on the description of mergers under the FCCPA 2018, the FCCPC as part of its regulatory functions issued a 'Notice of Threshold for Merger Notification'. The notice stipulates that the FCCPC shall be given notice of a merger before implementation if in the financial year preceding the merger the combined annual takeover of the acquiring undertaking and the target undertaking, into or from Nigeria equals or exceeds N1,000,000.000 or the annual turnover of the undertaking, into ot from Nigeria equals or exceeds N500,000,000.[7] Moreover, there are certain criteria that must be met for mergers and acquisitions to be approved. These include that the proposed transaction must not substantially lessen competition or create monopoly, and that it must not result in a substantial lessening of consumer choice or raise prices for consumers.

2.2 Companies and Allied Matters Act (CAMA)

The Companies and Allied Matters Act (CAMA) of 2020 serves as the principal legislation regulating corporate entities, including mergers and acquisitions transactions in Nigeria. CAMA

[3] J O Olabisi, & M O Olajide, (2018). Mergers and acquisitions I Nigeria: A Review. (2018) 6 (3) *Journal of Finance and Accounting*, 98-104.
[4] FCCPA, 2018.
[5] Ibid, s 92 (4)
[6] FCCPA, s 92 (4).
[7] D C E Halliday and G C Okara 'Company Reconstruction' in C C Ohuruogu (ed), *Law of Business Associations in Nigeria* (Lagos: Princeton & Associate Publishing Co. Ltd, 2022) p 628.

provides a comprehensive framework for the formation, governance, restructuring, and dissolution of companies. Key provisions of CAMA relevant to mergers and acquisitions transactions include:

i. Definition and Regulation of Mergers: Section 590 of CAMA defines mergers as the combination of two or more companies into one entity. It sets forth the procedures and requirements for effecting mergers, including obtaining shareholder approval, notifying creditors, and seeking regulatory approval.[8]

ii. Notification and Consent: Section 716 of CAMA mandates companies involved in Mergers and Acquisitions transactions to notify and obtain the consent of shareholders, creditors, and employees before proceeding with the transaction. This provision aims to ensure transparency and protect the interests of stakeholders affected by the merger or acquisition.[9]

2.3 Federal Competition and Protection Commission

The Regulatory Oversight for Mergers and Acquisitions in Nigeria is vested in the Federal Competition and Consumer Protection Commission by the Federal Competition and Consumer Protection Act 2018.[10]The FCCPA mandated the FCCPC to set, publish and gazette thresholds applicable to all mergers and combinations regardless of the size of the transaction.[11] In addition, the FCCPC is empowered to revoke merger already approved where the approval decision was based on incorrect information, obtained be deceit, the parties fail to implement the mergers within 12 months after the approval was granted ; or the undertaking concerned has breached an obligation attached to the decision of the FCCPC.[12] Moreover, The FCCPC is at liberty to hear from persons whom in its opinion will be able to assist in making a determination in respect of merger notifications.[13]

2.4 Securities and Exchange Commission

The Securities and Exchange Commission (SEC) is the regulatory authority responsible for overseeing Mergers and Acquisitions transactions involving public companies in Nigeria. The SEC plays a critical role in regulating the issuance and trading of securities, ensuring compliance with disclosure requirements, and protecting investors' interests. Key functions of the SEC in relation to Mergers and Acquisitions transactions include:

i. Review and Approval: The SEC reviews and approves Mergers and Acquisitions transactions involving public companies to ensure compliance with relevant securities laws and regulations. It assesses the fairness and adequacy of transaction terms, disclosures, and potential impact on shareholders' interests.[14]

ii. Disclosure Requirements: The SEC imposes stringent disclosure requirements on companies involved in Mergers and Acquisitions transactions, including the

[8]A Oyebode, Companies and Allied Matters Act, 2020: A new dawn for Nigerian companies. (2020) 12 (1) *Journal of Corporate and Commercial Law*, 1-22.
[9]*Ibid*
[10] FCCPA,s 165 (1).
[11] Ibid, s 93
[12] Ibid, s 99
[13] Ibid, s 101 (1).
[14]Securities and Exchange Commission (SEC). (2020). Guidelines on Mergers and Acquisitions.

submission of prospectuses, offer documents, and other relevant information to shareholders and regulatory authorities. This ensures transparency and facilitates informed decision-making by stakeholders.[15]

2.5 Corporate Affairs Commission

The Corporate Affairs Commission (CAC) is the government agency responsible for regulating the incorporation, registration, and administration of companies in Nigeria. In the context of Mergers and Acquisitions transactions, the CAC plays a crucial role in facilitating corporation restructuring and ensuring compliance with corporate governance standards. Key functions of the CAC include:

i. Registration and Approval: The CAC oversees the registration and approval processes for Mergers and Acquisitions transactions involving private companies, partnerships, and other corporate entities. It verifies compliance with statutory transactions, and issues certificates of merger or acquisition upon completion.[16]

ii. Corporate Governance: The CAC promotes corporate governance best practices among companies involved in Mergers and Acquisitions transactions, emphasizing transparency, accountability, and shareholder's rights. It enforces compliance with corporate governance codes, standards, and guidelines to enhance investor confidence and protect stakeholders' interests.[17]

2.6 Federal Competition and Consumer Protection Commission

The FCCPC is responsible for enforcing the FCCPA, and it has the authority to review and approve proposed mergers and acquisitions. The FCCPC also considers the potential impact of the transaction on small businesses, employment and innovation. If a proposed merger or acquisition is found to violate the FCCPA, the FCCPC, may order the parties to modify conditions on the transaction to mitigate any adverse effects. The FCCPC may also impose fines.

2.7 The Judiciary

The Federal High Court acts as a relevant judicial authority in merger control. Section 251 of the 1999 Constitution gives the FHC the power to handle matters for companies' operation, management, and regulation. The judiciary ensures that the interests of various stakeholders, including shareholders and creditors, are adequately protected. Court-sanctioned schemes of arrangement are common in ensuring a fair and transparent process.[18] Judicial decisions and precedents established by Nigeria courts contribute to the interpretation and application of laws governing Mergers and Acquisitions transactions. Courts play a crucial role in adjudicating disputes, clarifying legal principles, and enforcing contractual rights and obligations. Key areas of judicial scrutiny in Mergers and Acquisitions transactions include:

i. Contractual Interpretation: Courts interpret and enforce contractual provisions governing Mergers and Acquisitions transactions, including merger agreements, share

[15]Ibid.
[16]Corporate Affairs Commission (CAC). 2020.
[17]Ibid
[18] Understanding the Legal Implications of Mergers and Acquisitions in Nigeria, https://trustedadvisorslaw.com/understanding-the-legal-implications-of-mergers-and-acquisitions-in-nigeria/

parties abide by their contractual commitments and resolve disputes arising from breaches or ambiguities in the contract terms.

ii. Shareholder Rights: Courts protect shareholders' rights in Mergers and Acquisitions transactions by scrutinizing transaction terms, disclosures, and voting procedures to ensure fairness and transparency. They may intervene to prevent coercive or unfair practices that undermine shareholders' interests or rights to dissent from the transaction.

3 Protection of Employee Rights in Mergers and Acquisitions

In Nigeria, the protection of employee rights during mergers and acquisitions is crucial to ensure fairness, stability, and compliance with applicable laws and regulations. Nigeria has a robust legal framework governing labour relations, with key legislation such as the Labour Act 2004. This Act provides the foundation for protecting employees' rights during mergers and acquisitions activities, covering areas such as employment contracts, termination, redundancy, employee benefits and transfer of undertakings.[19] With respect to transfer of undertakings, the principle of transfer of undertakings is recognized in Nigerian law, ensuring that employees' rights are preserved when a business or part of it is transferred to a new owner through mergers and acquisitions. Section 22 of the Labour Act stipulates that in the event of a transfer of ownership, employees' rights, interests, and obligations are transferred to the new employer, ensuring conditions of employment. In the case of *Ojukwu v Governor of Lagos State,* [20] which deals with the principle of transfer of undertakings and its implications for employee rights in Nigeria, the court recognized the transfer of undertaking principle, stating that the rights, interests, and obligations of employees are transferred to the new employer in the event of a change in ownership. This case established the legal precedent for protecting employee rights during business transfers, including mergers and acquisitions. It emphasized the continuity of employment and the preservation of employees' rights when businesses change hands, ensuring that employees are not unfairly disadvantaged as a result of corporate restructuring.

Furthermore, employers engaging in mergers and acquisitions activities are required to consult with employee representatives or trade unions before finalizing the transaction. This consultation process, as mandated by the Labour Act, allows employees to be informed about the potential impact of the merger or acquisition on their employment rights and provides then with an opportunity to negotiate favourable terms.[21] In the case of *Mobile Producing Nigeria Unlimited v Joseph Owonaru,*[22] the National Industrial Court of Nigeria addressed the issue of redundancy and employee rights in the context of a mergers and acquisitions transactions. The court considered the legality of the redundancy exercise carried out by Mobile Producing Nigeria Unlimited following its merger with another company. The employees affected by the redundancy challenged the decision, arguing that their rights were violated as they were not adequately consulted, and the redundancy criteria were arbitrary. The court ruled in favour of the employees, emphasizing the importance of fair treatment and adherence to due process in redundancy exercises. The court held that employers must follow laid-down procedures, including consultation with employee representatives or trade unions, before implementing redundancy measures. The court also stressed

[19]Labour Act, Chapter L1, Laws of the Federation of Nigeria 2004
[20](1986) 1 NWLR (Pt. 18) 621
[21]Ibid.
[22](2012) 13 NWLR (Pt. 1317) 395

the need for transparency and fairness in selecting employees for redundancy, ensuring that criteria such as skills, qualifications, and length of service are considered objectively.

This case highlights the significance of adherence to labour laws and due process in protecting employee rights during mergers and acquisitions transactions. It underscores the obligation of employers to consult with employees and follow fair and transparent procedures when implementing changes that may affect their employment status. Similar case can be seen in the case of *Unilever Nigeria Plc v. Randle* [23], where the Court of Appeal addressed the issue of redundancy and employee rights following a merger involving Unilever Nigeria Plc.

Perhaps, employees affected by mergers and acquisitions transactions are entitled to their accrued benefits, including salaries, wages, bonuses, pensions, and other contractual entitlements. The acquiring company is responsible for honoring these obligations, ensuring that employees do not suffer any financial problem as a result of the transaction.[24] In cases where Mergers and Acquisitions activities lead to redundancies or retrenchments, employers must adhere to the provisions of the Labour Act regarding fair treatment of employees. This includes, paying severance benefits, and offering retraining or alternative employment opportunities where feasible.[25] In the case of *Nigerian Bottling Company v. Olanrewaju,*[26]the Court of Appealed addressed issues related to employee rights and entitlements following a merger involving the Nigerian Bottling Company. The court considered the legality of the termination of employment contracts and the calculation of employees' entitlements following a merger. The affected employees challenged the termination, arguing that they were entitled to certain benefits and severance packages under their employment contracts and applicable labour laws. The court ruled in favour of the employees, emphasizing the need for employers to honor contractual obligations and statutory entitlements when terminating employees' contracts. The court held that employees are entitled to receive their accrued benefits, including salaries, wages, bonuses, pensions, and other contractual entitlements, in accordance with the terms of their employment contracts and relevant labour laws.

This case underscores the importance of respecting employees' rights and entitlements during mergers and acquisitions transactions. It highlights the obligation of employers to fulfill their obligations and ensure that employees are treated fairly and receive their due entitlements when their employment is terminated as a result of a merger or acquisition.

Similarly, in the case of *UBN Plc v. Francis,*[27] the Nigerian Supreme Court affirmed the principle of employee protection during mergers and acquisitions transactions. The court held that employees are entitled to continuity of employment and preservation of their rights and benefits following a change in ownership. This case established a precedent for ensuring the fair treatment of employees during Mergers and Acquisitions transactions in Nigeria.

[23](2015) LPELR-24349 (CA)
[24]*Ibid*
[25]Ibid.
[26](2017) LPELR-43150 (CA)
[27](2012) 6 NWLR (Pt. 1292).

Regulatory bodies such as the Securities and Exchange Commission (SEC) and the Nigerian Stock Exchange (NSE)[28] oversee Mergers and Acquisitions transactions to ensure compliance with applicable laws and regulations, including those pertaining to employee rights. These bodies may require companies to disclose their plans regarding employee retention, redundancy, and other relevant matters as part of the approval process for Mergers and Acquisitions transactions.[29]

Employees who believe their rights have been violated during Mergers and Acquisitions transactions have the right to seek legal recourse through the Nigerian judicial system. They can file complaints with the National Industrial Court[30] or pursue alternative dispute resolution mechanisms to resolve employment-related disputes arising from mergers and acquisitions activities.

4 Regulatory Mechanisms for Safeguarding Employee Rights in Mergers and Acquisitions

In Nigeria, regulatory mechanisms play a crucial role in safeguarding employee rights during Mergers and Acquisitions transactions. These mechanisms are designed to ensure compliance with labour laws, protect employees' interests, and promote fairness throughout the process.

The Securities and Exchange Commission (SEC) oversees mergers and acquisitions transactions involving public companies to ensure compliance with securities laws and regulations. As part of this oversight, the SEC may require companies to disclose information about the impact of the transaction on employees, including any plans for retention, redundancy, or compensation.

The Nigerian Stock Exchange (NSE) also plays a role in regulating mergers and acquisitions transactions, particularly those involving listed companies. The NSE requires companies to adhere to its rules and regulations, which may include provisions related to employee rights and protections. Companies seeking to merge or acquire another entity must comply with the NSE's requirements and disclose relevant information to shareholders and regulatory authorizes.[31]

Regulatory bodies may require companies involved in mergers and acquisitions transactions to consult with employee representatives or trade unions and notify employees about the proposed transactions. This consultation process allows employees to be informed about the potential impact on their employment rights and provides them with an opportunity to voice their concerns or negotiate favourable terms.

Regulatory bodies may also impose disclosure requirements on companies involved in Mergers and Acquisitions transactions to ensure transparency and accountability. Companies may be required to disclose information about their plans for employee retention, severance packages, or any changes to employment terms and conditions resulting from the transactions. Regulatory

[28]NSE is the primary securities exchange in Nigeria that regulates the activities of public listed companies, including those involved in M&A transactions. It promotes good corporate governance practices among listed companies, which includes safeguarding the interests of all stakeholders, including employees.

[29]Securities and Exchange Commission (SEC), Rules and Regulations.

[30]The National Industrial Court (NIC) is a specialized court established under the National Industrial Court Act with jurisdiction over labour and employment-related disputes, including those arising from M&A transactions. The NIC adjudicates cases involving unfair labour practices, wrongful termination, and disputes over employee rights and entitlements during corporate restructuring. Its role in interpreting and enforcing labour laws contributes to the protection of employee rights in M&A scenarios

[31]Nigerian Stock Exchange (NSE) Rules and Regulations.

bodies have enforcement powers to ensure compliance with labour laws and regulations governing Mergers and Acquisitions transactions. They may investigate complaints or violations related to employee rights and take enforcement actions against companies found to be in breach of regulatory requirements.

Moreover, regulatory approval may be required for certain types of Mergers and Acquisitions transactions, especially those involving significant changes in ownership or control. Regulatory authorities, such as the SEC or relevant industry regulators, review proposed transactions to assess their impact on various stakeholders, including employees. Approval may be contingent on the acquirer's commitment to protecting employee rights and complying with applicable labour laws.

5 Challenges Faced by Employees in Mergers and Acquisitions Transactions

Employees in Nigeria face several challenges during mergers and acquisitions processes, which can impact their job security, working conditions, and overall well-being. Some of these challenges are:

a. Job Insecurity

One of the primary challenges faced by employees during mergers and acquisitions is the fear of job loss. Mergers and acquisitions often result in redundancies as companies streamline operations or eliminate duplicate roles to achieve synergies[32]. This uncertainty about job security can create anxiety and stress among employees.

b. Changes in Employment Terms and Conditions

Mergers and Acquisitions transactions can lead to changes in employment terms and conditions, including job responsibilities, salary structures, and benefits packages. Employees may be required to adapt to new policies or practices introduced by the acquiring company, which can disrupt their work-like balance and affect morale.[33]

c. Cultural Integration Issues:

Cultural differences between merging entities can pose challenges for employees, especially if there is a lack of alignment in organizational values, norms, and communication styles. Integrating diverse work cultures can lead to conflicts, confusion, and resistance among employees, affecting productivity and teamwork[34]

d. Loss of Employee Benefits

In some cases, employees may lose certain benefits or perks they enjoyed before the Mergers and Acquisitions transaction. For example, the acquiring company may offer different healthcare plans,

[32]J Nwankwo, 'The Effects of Mergers and Acquisitions on Employee Morale in Nigerian Companies,' (2017) 19 (4) *Journal of Business and Management*, 78-87.

[33]J Onyeagba, 'Employee Perception of Post Mergers and Acquisitions Integration Strategies in Nigeria,' (2018) 6 (2) *International Journal of Business and Management*, 45-58.

[34]N Udeagha, 'Cultural Integration in Mergers and Acquisitions: A Case Study of Nigerian Banks., (2019) 23 (1) *Journal of Organizational Culture, Communications and Conflict*, 56-67.

retirement benefits, or vacation policies, which may not be as favourable as those provided by the original employer.[35]

e. Uncertainty about Career Progression

Mergers and Acquisitions transactions can disrupt employees' career trajectories by altering promotion prospects or limiting advancement opportunities within the organization. Employees may feel uncertain about their future growth prospects and career development paths, leafing to dissatisfaction and disengagement.[36]

f. Communication Challenges

Effective communication is crucial during mergers and acquisitions processes to keep employees informed and engaged. However, inadequate communication or misinformation can fuel rumors, speculation, and mistrust among employees, exacerbating anxiety and reducing morale.[37]

g. Legal and Regulatory Compliance

Employees nay face challenges related to legal and regulatory compliance during mergers and acquisitions transactions. For example, companies may overlook labour laws or fail to fulfill their obligations regarding employee consultation, notification, or severance pay, leafing to disputes and legal issues.[38]

h. Psychological Impact

The stress and uncertainty associated with mergers and acquisitions transactions can have a significant psychological impact on employees, affecting their mental health and well-being. Employees may experience feelings of insecurity, resentment, or disengagement, leafing to decreased productivity and increased absenteeism[39].

6 Conclusion and Recommendations

The examination of the legal framework and regulatory mechanisms for safeguarding employee rights in Nigerian mergers and acquisitions reveals both strengths and areas for improvement. The existing legal framework, anchored by statutes such as the Companies and Allied Matters Act (CAMA) of 2020 and Labour Act of 2004, provides a foundation for protecting employee rights during mergers and acquisitions transactions. Additionally, regulatory oversight by bodies such as the Securities and Exchange Commission (SEC) and the Nigerian Stock Exchange (NSE) plays a crucial role in enforcing compliance and promoting transparency.

However, challenges persist, including ambiguities in legal provisions, inadequate enforcement mechanisms, and limited employee awareness. Emerging trends, such as digitalization ad

[35] J O Olaniyan, & A S Olatunji, 'The Effects of Mergers and Acquisitions on Employee Performance: Evidence from the Nigerian Banking Industry,' (2016) 4 (7) *International Journal of Economics, Commerce and Management*, 128-142.

[36] O Osuji, & O Ikechukwu, 'Effects of Mergers and Acquisitions on Employees' Welfare: A Study of Selected Banks in Nigeria', (2017) 1 (2) *Journal of Economics and Financial Analysis*, 89-102.

[37] E E Chukwumerije, 'Managing Employees' Reactions to Mergers and Acquisitions in Nigeria: A Study of Select Banks in Lagos State. (2018) 8 (6) *International Journal of Academic Research in Business and Social Sciences*, 8 45-58

[38] O Onwe, & O Ofoegbu, 'The Legal and Ethical Implications of Mergers and Acquisitions on Employees in Nigeria. (2020) *Journal of Law, Policy and Globalization*, 94, 78-89.

[39] J Ugwu, 'Employee Reactions to Mergers and Acquisitions: The Case of Nigerian Banking Industry. (2019) 7 (2) *International Journal of Management and Humanities*, 7(2), 45-56.

globalization, further impact the landscape of employee rights protection in mergers and acquisitions transactions. To address these challenges and enhance the legal framework, the following recommendations are made:

i. **Strengthening Consultation Requirements**

Implementing stronger consultation requirements between employers and employee representatives or trade unions prior to finalizing Mergers and Acquisitions transactions can enhance transparency and ensure that employees' concerns are adequately addressed. This would involve amending existing labour laws to mandate meaningful consultation with employees at all stages of mergers and acquisitions processes.

ii. Clarifying Redundancy and Retrenchment Procedures

Providing clearer guidelines and criteria for redundancy and retrenchment procedures in mergers and acquisitions situations can help minimize uncertainty and ensure fair treatment of affected employees. This may involve establishing specific criteria for selecting employees for redundancy, such as skills, qualifications, and performance, and ensuring that due process is followed in accordance with labour laws.[40]

iii. Enhancing Disclosure Requirements

Strengthening disclosure requirements for companies involved in mergers and acquisitions transactions can improve transparency and provide employees with better information about the potential impact on their employment rights and benefits. This could include mandating companies to provide comprehensive disclosure about their plans for employee retention, redundancy, and compensation as part of the regulatory approval process.[41]

iv. Enforcing Compliance with Labour Laws

Enhancing enforcement mechanisms to ensure compliance with labour laws and regulations. This may involve empowering regulatory bodies such as National Industrial Court or Minister of Labour to monitor and enforce compliance, investigate complaints, and take enforcement actions against companies found to be in breach of labour laws.[42]

v. Strengthening Legal Remedies for Employees

Providing employees with stronger legal remedies and avenues for redress in cases of violations of their rights during mergers and acquisitions transactions can improve accountability and deter employers from engaging in unfair practices. This could include expanding the jurisdiction and powers of labour tribunals or establishing specialized courts to handle employment-related disputes arising from Mergers and Acquisitions activities.[43]

vi. Promoting Employee Participation and Representation

Encouraging greater employee participation and representation in decision-making processes related to mergers and Acquisitions transactions can ensure that their interests are adequately represented and considered. This could involve promoting the formation of employee

[40]*Nigerian Bottling Company v. Olanrewaju* (2017) LPELR-43150 (CA).
[41]Ibid (SEC)
[42]National Industrial Court Act, Chapter N26, Laws of the Federation of Nigeria 2004.
[43]*Unilever Nigeria Plc v Randle* (2015) LPELR-24349 (CA)

representative bodies or strengthening existing mechanisms such as works councils or employee unions[44].

vii. Investing in Employee Training and Support

Providing employees with access to training, retraining, and support services during mergers and acquisitions transactions can help mitigate the impact on their transition to new roles or organizations. Employers could be encouraged or required to allocate resources for employee training and support as part of their Mergers and Acquisitions planning and implementation strategies[45].

[44]Chukwumerije (n 37).
[45]Ugwu (n 39).