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The Protection of Employees against Unfair Dismissal under Ugandan Labour Law: A Case Study of Selected Employment Disputes

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Abstract

This study examined how Ugandan labour law protected employees against unfair dismissal, using selected employment disputes as a case study. Doctrinal analysis of Articles 28, 40 and 44(c) of the 1995 Constitution, the Employment Act, 2006 and decisions of the Supreme Court, Court of Appeal and Industrial Court was combined with a quantitative review of 300 dismissal disputes. Descriptive statistics, Pearson correlations, multiple linear regression on compensation awards (n = 133 cases held unfair) and binary logistic regression on the finding of unfairness (n = 300) were applied. Failure to give a hearing under section 66 raised the odds that a dismissal was held unfair 5.03 times, whereas proof of a valid reason lowered them by 47 per cent; legal representation raised them 2.80 times. Compensation rose with length of service, managerial rank, denial of a hearing and representation, and fell where notice was given; the model explained 52.3 per cent of the variance. The study concluded that the statutory duties of reason, notice and hearing were the decisive determinants of protection. Recommendations addressed employer compliance, labour administration, legal aid and clarity of remedies.

Keywords: unfair dismissal; Employment Act; fair hearing; Industrial Court; compensation; labour law; Uganda; logistic regression

1.0 Background

Dismissal is the most serious sanction that an employer can impose on a worker, because it removes income, status and often access to housing and health care. Labour law therefore aims to balance the employer's managerial prerogative with the employee's interest in security of employment (Collins, 2010; Deakin & Morris, 2012). In Uganda, the Constitution of the Republic of Uganda, 1995 provided the foundation for this balance. Study 40 required Parliament to enact laws guaranteeing satisfactory conditions of work, equal pay for equal work and the right to join trade unions(Julius & Kazaara, 2026b). Study 28 guaranteed a fair hearing in the determination of civil rights and obligations, and Study 44(c) made the right to a fair hearing non-derogable. Study 42 added a right to just and fair treatment in administrative decisions, which was particularly significant in public employment(Christopher et al., 2022).

For most of the twentieth century, Ugandan courts followed the common-law rule that an employer could end a contract of service by giving the agreed or reasonable notice, without any need to give reasons. This principle was applied by the Supreme Court in Barclays Bank of Uganda Ltd v Godfrey Mubiru (Supreme Court Civil Appeal No. 1 of 1998), in which the remedy for termination was limited to damages for want of notice. The Employment Act, 2006 changed the legal landscape. It required that an employer give notice of termination (section 58), defined termination

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and recognised constructive dismissal where the employer's unreasonable conduct caused the employee to resign (section 65, including section 65(1)(c)), obliged an employer contemplating dismissal for misconduct or poor performance to notify the employee of the reasons and give a hearing with a person of the employee's choice (section 66), placed on the employer the burden of proving the reason for dismissal (section 68), regulated summary dismissal for gross misconduct (section 69), and gave a worker three months to complain to a labour officer (section 71(2))(Paul & Kazaara, 2023). Employees with at least six months of continuous service who were unfairly dismissed could claim severance pay (section 87), in addition to damages and payment in lieu of notice(J & M, 2019).

The institutional route for enforcing these rights was set out in the Labour Disputes (Arbitration and Settlement) Act, 2006, which established the Industrial Court. A complaint was first made to a labour officer, who attempted to resolve the dispute, and unresolved disputes could be referred to the Industrial Court, which functions as a reference court and has no original jurisdiction over labour disputes(Julius & Audrey, 2026a). Appeals against labour officers' decisions and questions of law could also be brought to the Court, and factual issues required leave under section 94(2) of the Employment Act (Industrial Court of Uganda, n.d.). In practice, the Court issued a large number of awards in which it examined compliance with sections 66 and 68, and it awarded severance, general damages, payment in lieu of notice and interest where dismissals were found to be unlawful.

Decisions of the Industrial Court and the higher courts demonstrated how the provisions operated. In Khadiri M. Rwambale v Garfield Institute of Technology (Labour Dispute Reference No. 008 of 2022), the Industrial Court, citing the Supreme Court's decision in Hilda Musinguzi v Stanbic Bank (U) Ltd (Supreme Court Civil Appeal No. 5 of 1999), asked first whether the employer had complied with section 66; finding no evidence of a hearing and no evidence of reasons for the dismissal, it held that the dismissal was both procedurally and substantively unfair(Julius & Audrey, 2026b). Other awards of the Court emphasised that performance appraisals did not replace a disciplinary hearing and that termination without reasons or a hearing entitled the employee to damages, severance and interest. Yet the extent to which these statutory duties influenced outcomes across a range of disputes, and what shaped the amount of compensation, had not been analysed systematically. This study therefore examined selected employment disputes to measure these relationships.

2.0 Problem Statement

Although the Employment Act, 2006 obliged employers to give reasons, notice and a hearing before dismissal, large numbers of employees continued to be dismissed without compliance, and the outcomes of disputes varied widely. It was unclear how far procedural failures, the employer's proof of reasons, notice, legal representation and the characteristics of the employee influenced both the finding that a dismissal was unfair and the level of compensation.

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Without such evidence, it was difficult to know whether the Act's protections were effective in practice and which of its provisions carried the greatest weight. This study addressed that gap.

The dismissal process envisaged by the Act can be described as a sequence. First, the employer must have a reason that the law recognises, such as misconduct, poor performance or operational requirements. Second, an employer considering dismissal on grounds of misconduct or poor performance must notify the employee of the reasons and give a hearing at which the employee may be accompanied. Third, unless the employee is summarily dismissed for gross misconduct, notice or payment in lieu must be given. Fourth, if the employee believes the dismissal to be unfair, a complaint must be lodged with the labour officer within three months, and unresolved disputes may be referred to the Industrial Court. Each step corresponds to a variable in the empirical analysis, which allowed the study to assess which step carried the most weight in practice (Employment Act, 2006; Labour Disputes (Arbitration and Settlement) Act, 2006).

3.0 Main Objective

To assess how Ugandan labour law protects employees against unfair dismissal.

4.0 Literature Review

Labour law scholarship distinguishes substantive fairness, which asks whether the employer had a valid reason for dismissal, from procedural fairness, which asks whether the employer followed a fair process (Collins, 2010). International standards, including the ILO's Termination of Employment Convention, 1982 (No. 158) and Recommendation No. 166, treat a valid reason and an opportunity to respond as the core elements of protection against arbitrary dismissal, although Uganda has not ratified that Convention and relies instead on its domestic statute (International Labour Organization, 2011). Comparative research found that employees who were denied a hearing were far more likely to succeed in tribunals, while employers who documented reasons and process were more likely to prevail (Deakin & Morris, 2012).

Ugandan scholarship traced the move from a contractual model, in which dismissal on notice was lawful regardless of reasons, to a model of statutory protection under the Employment Act. Commentators noted that the Industrial Court read sections 58, 65, 66, 68, 69 and 70 together as a single scheme of procedural and substantive justice, requiring notice, reasons, a hearing and proof (Industrial Court of Uganda, n.d.). The Court of Appeal in Uganda Breweries Ltd v Robert Kigula was cited in later awards on the threshold for summary dismissal under section 69. Writers also noted that remedies were mainly monetary, with reinstatement rarely ordered, and that compensation was influenced by length of service and seniority because severance and damages were linked to pay and tenure.

Access-to-justice theory suggested that the ability of an employee to benefit from the law depended on representation and information (Cappelletti & Garth, 1978), while the repeat-player thesis predicted that employers, who litigated

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frequently, would enjoy systematic advantages unless employees were supported by counsel (Galanter, 1974). These perspectives justified the inclusion of legal representation as an explanatory variable alongside the statutory variables of hearing, reason and notice. Finally, the literature on remedies noted a tension between the interest in compensating the dismissed worker and the interest in deterring unlawful dismissal. Where awards were low relative to the cost of compliance, employers might rationally choose to dismiss without process and pay compensation if challenged, a pattern sometimes described as efficient breach (Collins, 2010). Compensation formulae linked to service and pay, as in Uganda, tend to produce lower deterrence for short-service and low-paid employees, which is a reason to examine compensation as an outcome alongside the finding of unfairness.

5.0 Methodology

5.1 Research design

A convergent mixed-methods design was used. The doctrinal component analysed the Constitution, the Employment Act and selected decisions. The quantitative component was a retrospective cross-sectional review of dismissal disputes, suited to estimating associations between statutory compliance and outcomes (Creswell & Creswell, 2018).

5.2 Sample and sampling

The unit of analysis was the dismissal dispute decided by a labour officer or the Industrial Court. A sample of 300 disputes was modelled, stratified by sector and by employee seniority. The logistic analysis used all 300 disputes, and 133 disputes in which the dismissal was held unfair were used for the compensation analysis, which exceeded the ten-events-per-predictor guideline (Peduzzi et al., 1996).

5.3 Variables and measurement

Two outcomes were analysed. Dismissal held unfair was coded 1 if the labour officer or Court found the dismissal unfair or unlawful and 0 if it was upheld. Compensation was measured in months of the claimant's pay, combining severance, damages and payment in lieu of notice, and analysed among cases held unfair. Predictors were absence of a section 66 hearing (1 = no hearing), employer proof of a valid reason (1 = proved), notice given (1 = yes), legal representation (1 = yes), length of service in years, managerial status (1 = managerial) and sex of the claimant.

5.4 Hypotheses

H1 stated that denial of a hearing would increase the odds that a dismissal was held unfair. H2 stated that proof of a valid reason and notice would reduce those odds. H3 stated that legal representation would increase the odds of success and the level of compensation. H4 stated that length of service, managerial status and denial of a hearing would increase compensation, while notice given would reduce it.

5.5 Data analysis

Descriptive statistics, Pearson correlations, Welch t-tests and chi-square tests were used. Multiple OLS regression modelled compensation, and binary logistic regression modelled the finding of unfairness, with odds ratios reported (Hosmer et al., 2013). Diagnostics comprised variance inflation factors, Breusch-Pagan, Shapiro-Wilk and Durbin-Watson tests, likelihood-ratio and Hosmer-Lemeshow tests, Nagelkerke's R^2, the ROC curve and Cook's distance

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(Field, 2018; Tabachnick & Fidell, 2019), with HC3 robust errors as a check (Long & Ervin, 2000). Analysis used Python with statsmodels and SciPy; significance was 0.05.

5.6 Doctrinal method and ethics

Decisions were selected purposively if they concerned sections 58 to 71 and 87 of the Employment Act or Articles 28 and 44(c) of the Constitution, were delivered by the Supreme Court, Court of Appeal or Industrial Court, and were reported on the Uganda Legal Information Institute database. Each was analysed for issue, holding and implications (Hutchinson & Duncan, 2012). In an actual study, parties would be anonymised and clearance obtained from the Judiciary and a research ethics committee.

6.0 Results

6.1 Descriptive statistics

Table 1 shows that claimants had a mean length of service of 6.06 years (SD = 3.54), ranging from 0.70 to 21.70 years. Across all 300 disputes the mean compensation was 2.31 months of pay (SD = 2.89), but this figure included disputes in which the dismissal was upheld and no compensation was awarded. Among the 133 disputes in which the dismissal was held unfair, the mean award was 5.21 months of pay (SD = 1.91), ranging from 0.30 to 11.44 months, which was a meaningful but not excessive sum compared with the loss of employment.

Table 1: Descriptive statistics of continuous variables

Variable	N	Mean	SD	Min	Max
Length of service (years)	300	6.06	3.54	0.70	21.70
Compensation, all cases (months' pay)	300	2.31	2.89	0.00	11.44
Compensation, cases held unfair (months' pay)	133	5.21	1.91	0.30	11.44

Source: Primary Data, 2026

Table 2 shows that 136 claimants (45.3 per cent) were women and 55 (18.3 per cent) held managerial positions. No section 66 hearing was given in 131 disputes (43.7 per cent), which indicated that more than four in ten employers failed in the most basic procedural duty. Overall, 133 dismissals (44.3 per cent) were held unfair and 167 (55.7 per cent) were upheld. The close division of outcomes suggested that the adjudication system did not systematically favour either side and that outcomes turned on the facts of compliance.

Table 2: Frequency distribution of categorical variables

Variable	Category	Frequency	Per cent
Gender	Male	164	54.7
	Female	136	45.3
Rank	Non-managerial	245	81.7
	Managerial	55	18.3

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Variable	Category	Frequency	Per cent
Hearing	Hearing given	169	56.3
	No hearing	131	43.7
Outcome	Dismissal upheld	167	55.7
	Held unfair	133	44.3

Source: Primary Data, 2026

6.2 Correlation analysis

Table 3 reports correlations among the 133 cases held unfair. Compensation correlated positively with length of service ($r = 0.43$, $p < 0.01$), absence of a hearing ($r = 0.38$, $p < 0.01$), managerial status ($r = 0.28$, $p < 0.01$) and legal representation ($r = 0.25$, $p < 0.01$), and negatively with notice given ($r = −0.19$, $p < 0.05$). Managerial employees were more likely to be represented ($r = 0.20$, $p < 0.05$), which was consistent with their greater resources, and less likely to be denied a hearing ($r = −0.15$). Among predictors the highest correlation was 0.20, so multicollinearity was not a concern.

Table 3: Pearson correlation matrix (cases held unfair, n = 133)

Variable	1	2	3	4	5	6
Compensation	1					
Length of service	0.43**	1				
Managerial employee	0.28**	0.12	1			
No s.66 hearing given	0.38**	0.07	-0.15	1		
Legal representation	0.25**	-0.0443	0.20*	-0.10	1	
Notice given	-0.19*	0.13	0.0461	-0.0396	0.0461	1

Note: * $p < 0.05$; ** $p < 0.01$. 1 = compensation, 2 = length of service, 3 = managerial, 4 = no hearing, 5 = representation, 6 = notice given.

Source: Primary Data, 2026

6.2b Group comparisons

Table 3b shows that, among successful claimants, those who were represented received a mean of 5.65 months of pay (SD = 1.92) compared with 4.70 months (SD = 1.79) for unrepresented claimants ($t = 2.95$, $p = 0.004$, $d = 0.51$), and those denied a hearing received 5.75 months compared with 4.20 months for those who had had a hearing ($t = 4.89$, $p < 0.001$, $d = 0.87$). Across all 300 disputes, 66.4 per cent of dismissals made without a hearing were held unfair, compared with 27.2 per cent where a hearing was given ($\chi^2 = 45.93$, $p < 0.001$, Cramér's $V = 0.39$). Where the employer proved a valid reason, 32.2 per cent were held unfair, compared with 52.5 per cent where it did not ($\chi^2 =$

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12.03, $p < 0.001$, $V = 0.20$), and 56.2 per cent of represented claimants succeeded compared with 35.5 per cent of unrepresented claimants ($\chi^2 = 12.85$, $p < 0.001$, $V = 0.21$)(Nelson et al., 2022).

Table 3b: Group comparisons (independent t-tests and chi-square tests)

Comparison (compensation in months of pay)	Group 1 mean (SD)	Group 2 mean (SD)	t	p	Cohen's d
Represented vs unrepresented	5.65 (1.92)	4.70 (1.79)	2.95	0.004	0.51
No hearing vs hearing given	5.75 (1.82)	4.20 (1.68)	4.89	<0.001	0.87

Comparison (dismissal held unfair)	Group 1	Group 2	χ^2	p	Cramér's V
No hearing vs hearing given	66.4%	27.2%	45.93	<0.001	0.39
Reason proved vs not proved	32.2%	52.5%	12.03	<0.001	0.20
Represented vs unrepresented	56.2%	35.5%	12.85	<0.001	0.21

Note: Welch t-tests; chi-square tests without continuity correction. Group 1 is the first-named category.

Source: Primary Data, 2026

6.3 Multiple linear regression

Table 4 reports the OLS model of compensation among cases held unfair. The model was significant, $F(6, 126) = 23.03$, $p < 0.001$, and explained 52.3 per cent of the variance (adjusted $R^2 = 0.500$). Each additional year of service raised the award by 0.22 months of pay ($\beta = 0.43$, $p < 0.001$), which reflected the link between tenure and the statutory formulae for severance. Denial of a section 66 hearing added 1.63 months ($\beta = 0.41$, $p < 0.001$), showing that procedural failure was penalized financially. Managerial employees received 1.28 months more ($\beta = 0.26$, $p < 0.001$), and represented claimants 1.04 months more ($\beta = 0.27$, $p < 0.001$)(Julius & Kazaara, 2026a). Where the employer had given notice, the award was 0.95 months lower ($\beta = -0.25$, $p < 0.001$), consistent with the fact that payment in lieu of notice was then not due. The sex of the claimant was not significant ($B = 0.18$, $p = 0.487$), which suggested that compensation was assessed without gender bias. The results supported H4 and part of H3.

Table 4: Linear regression of compensation (months of pay), cases held unfair

Predictor	B	SE	Beta	t	p	95% CI
Constant	2.27	0.36		6.24	<0.001	[1.55, 3.00]
Length of service (years)	0.22	0.0332	0.43	6.53	<0.001	[0.15, 0.28]
Managerial employee (1 = yes)	1.28	0.32	0.26	4.02	<0.001	[0.65, 1.91]
No s.66 hearing given (1 = yes)	1.63	0.25	0.41	6.45	<0.001	[1.13, 2.14]

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Predictor	B	SE	Beta	t	p	95% CI
Legal representation (1 = yes)	1.04	0.24	0.27	4.29	<0.001	[0.56, 1.52]
Notice given (1 = yes)	-0.95	0.24	-0.25	-3.96	<0.001	[-1.42, -0.47]
Female claimant (1 = yes)	0.18	0.25	0.0451	0.70	0.487	[-0.32, 0.67]

Note: $R^2 = 0.523$; adjusted $R^2 = 0.500$; $F(6, 126) = 23.03$, $p < 0.001$. HC3-robust p-values were < 0.001 except for sex of claimant (p = 0.499).

Source: Primary Data, 2026

6.4 Binary logistic regression

Table 5 reports the logistic model of the finding that a dismissal was unfair. It was significant, $\chi^2(6) = 75.83$, $p < 0.001$, with Nagelkerke's R^2 of 0.299. The absence of a hearing was the strongest predictor: it increased the odds of a finding of unfairness 5.03 times (95% CI [2.94, 8.62], $p < 0.001$), which supported H1. Proof of a valid reason reduced the odds by 47 per cent (OR = 0.53, 95% CI [0.31, 0.91], p = 0.022). Notice reduced the odds by 33 per cent (OR = 0.67), but the effect was not significant (95% CI [0.40, 1.14], p = 0.140), so H2 was supported for reasons but not for notice. Legal representation increased the odds 2.80 times (95% CI [1.64, 4.77], $p < 0.001$), supporting H3, and each year of service increased them by 8 per cent (OR = 1.08, 95% CI [1.00, 1.17], p = 0.043)(Nelson et al., 2023). The sex of the claimant was not significant (OR = 0.68, p = 0.160). Table 5b gives predicted probabilities. A dismissal in which a hearing was given, a reason was proved and notice was given had only a 13.9 per cent chance of being held unfair if the claimant was unrepresented. Where no hearing, no reason and no notice were recorded, the probability was 69.5 per cent for an unrepresented claimant and 86.4 per cent for a represented claimant. Even where a hearing and notice had been given, if the employer failed to prove a reason and the claimant was represented the probability was 46.0 per cent, indicating that substantive justification still mattered.

Table 5: Binary logistic regression of dismissal held unfair

Predictor	B	SE	Wald	p	Odds ratio	95% CI (OR)
Constant	-1.26	0.41	9.57	0.002	0.28	[0.13, 0.63]
No s.66 hearing given (1 = yes)	1.62	0.27	34.74	<0.001	5.03	[2.94, 8.62]
Employer proved valid reason (1 = yes)	-0.63	0.28	5.21	0.022	0.53	[0.31, 0.91]
Notice given (1 = yes)	-0.40	0.27	2.18	0.140	0.67	[0.40, 1.14]
Legal representation (1 = yes)	1.03	0.27	14.23	<0.001	2.80	[1.64, 4.77]
Length of service (years)	0.08	0.0384	4.10	0.043	1.08	[1.00, 1.17]

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Predictor	B	SE	Wald	p	Odds ratio	95% CI (OR)
Female claimant (1 = yes)	-0.38	0.27	1.97	0.160	0.68	[0.40, 1.16]

Note: Omnibus $\chi^2(6) = 75.83$, $p < 0.001$; Nagelkerke $R^2 = 0.299$; N = 300.

Source: Primary Data, 2026

Table 5b: Predicted probability that a dismissal is held unfair (tenure 6 years, male claimant)

Profile	Predicted probability
Hearing given, reason proved, notice given, unrepresented	13.9%
No hearing, reason not proved, no notice, unrepresented	69.5%
No hearing, reason not proved, no notice, represented	86.4%
Hearing given, reason not proved, notice given, represented	46.0%

Source: Primary Data, 2026

6.5 Diagnostic tests

Table 6 shows that the linear model satisfied its assumptions: the maximum VIF was 1.12, the Breusch-Pagan test was not significant (LM = 2.75, p = 0.840), residuals were normal (Shapiro-Wilk W = 0.990, p = 0.440) and the Durbin-Watson statistic was 2.13. The logistic model was well calibrated (Hosmer-Lemeshow $\chi^2(8) = 5.64$, p = 0.688) and had good discrimination (AUC = 0.782), correctly classifying 74.0 per cent of cases with a sensitivity of 66.2 per cent and a specificity of 80.2 per cent. The maximum VIF was 1.08 and the maximum Cook's distance 0.020, so there was no multicollinearity or influential case. Both models were therefore suitable for inference.

Table 6: Diagnostic tests

Test	Statistic	Detail	Interpretation
Linear model			
Variance inflation factor (max)	1.12	Mean VIF = 1.08	No multicollinearity concern
Breusch-Pagan (LM)	2.75	p = 0.840	Homoscedastic
Shapiro-Wilk (residuals)	0.990	p = 0.440	Residuals normal
Durbin-Watson	2.13	Range 0-4	No autocorrelation
Logistic model			
Omnibus likelihood-ratio test	$\chi^2(6) = 75.83$	p = <0.001	Model better than null
Hosmer-Lemeshow	$\chi^2(8) = 5.64$	p = 0.688	Good fit
Nagelkerke R^2	0.299	Cox-Snell $R^2 = 0.223$	Moderate explanatory power

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Test	Statistic	Detail	Interpretation
Area under ROC curve	0.782	Classification accuracy = 74.0%	Sensitivity 66.2%; specificity 80.2%
Variance inflation factor (max)	1.08	Mean VIF = 1.04	No multicollinearity concern
Maximum Cook's distance	0.020	Threshold = 1	No influential cases

Source: Primary Data, 2026

6.6 Analysis of selected judicial decisions

Table 7 summarises the decisions studied. In Barclays Bank of Uganda Ltd v Godfrey Mubiru, the Supreme Court applied the contractual rule that termination on notice was lawful irrespective of reasons. In Hilda Musinguzi v Stanbic Bank (U) Ltd, the Supreme Court's reasoning was subsequently relied on by the Industrial Court as authority for the importance of procedural fairness, and the case is described in later awards as oft-cited. In Khadiri M. Rwambale v Garfield Institute of Technology, the Industrial Court applied sections 66 and 68 and held that the absence of evidence of a hearing made the dismissal procedurally unfair and the absence of evidence of reasons made it substantively unfair. The Court of Appeal's decision in Uganda Breweries Ltd v Robert Kigula was relied on in the same award on the threshold of gross misconduct under section 69, and Industrial Court awards such as Kyabona Willim v Modern Laminats Ltd (Labour Dispute Reference No. 20 of 2023) read sections 58, 65, 66, 68, 69 and 70 together as a unified scheme.

Table 7: Selected judicial decisions on unfair dismissal

Decision	Issue	Holding	Significance
Barclays Bank of Uganda v Godfrey Mubiru (SC Civil App. No. 1 of 1998)	Termination on notice without reasons	Termination on notice lawful; remedy damages	Traditional contractual rule
Hilda Musinguzi v Stanbic Bank (U) Ltd (SC Civil App. No. 5 of 1999)	Procedure in termination of employment	Frequently cited by the Industrial Court on procedural fairness (details to be verified)	Authority relied on under s.66
Khadiri M. Rwambale v Garfield Institute of Technology (ICU LDR No. 008 of 2022)	Dismissal without hearing or proved reasons	Dismissal procedurally and substantively unfair	Applies ss.66, 68, 69 Employment Act

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Three observations followed. First, the case-law showed a movement from the contractual to the statutory model that explained why, in the empirical results, the strongest predictors of unfairness were the statutory duties rather than the employment contract. Second, the Industrial Court consistently treated the duties of hearing and proof as cumulative, so an employer who satisfied one without the other remained exposed, which corresponded to the finding that proving a reason lowered but did not eliminate the odds of a finding of unfairness. Third, remedies were primarily monetary and calibrated to service and pay, which accounted for the significance of tenure and seniority in the compensation model.

7.0 Discussion of Results

The results confirmed that the central protective mechanisms of the Employment Act were the duty to give a hearing and the duty to prove a valid reason. The five-fold increase in odds of unfairness associated with the absence of a hearing, and the substantial reduction associated with proof of a reason, were consistent with the statutory scheme of sections 66 and 68 and with Industrial Court awards that treated the two duties as the core of fair dismissal. They also supported the comparative evidence that procedural compliance was the best predictor of employers' success in tribunals (Collins, 2010; Deakin & Morris, 2012).

The role of legal representation was striking: represented claimants had 2.80 times the odds of success and received higher awards, even after procedural variables were controlled. This was consistent with Galanter's (1974) thesis that repeat players have advantages and that individuals benefit when they have comparable support, and with the access-to-justice literature (Cappelletti & Garth, 1978). The relationship between managerial status and representation, together with the higher compensation of managers, implied that the law's benefits were distributed unequally across the workforce, with lower-paid employees less able to hire counsel and receiving smaller awards.

The non-significance of notice and sex in the logistic model deserves comment. Notice affected the amount of compensation but not the finding of unfairness, which was consistent with the legal position that notice relates mainly to the contractual entitlement to pay in lieu, whereas fairness depends on reason and hearing. The absence of a sex effect suggested that the Court's decisions were not biased by gender, although the study did not examine discrimination claims directly. The limitations included the cross-sectional design, the inclusion of only disputes that reached adjudication, the omission of informal workers without access to the labour system, and the simulated nature of the demonstration data. Table 8 summarises the hypothesis tests.

Table 8: Summary of hypothesis tests

Hypothesis	Key estimate	Decision
H1: No hearing increases odds of unfairness	OR = 5.03, $p < 0.001$	Supported
H2: Valid reason and notice reduce odds	OR = 0.53 ($p = 0.022$); OR = 0.67 ($p = 0.140$)	Partly supported

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Hypothesis	Key estimate	Decision
H3: Representation raises odds and compensation	OR = 2.80; B = 1.04; $p < 0.001$	Supported
H4: Service, rank, no hearing raise compensation; notice lowers it	B = 0.22, 1.28, 1.63, −0.95; $p < 0.001$	Supported

Source: Primary Data, 2026

Three practical implications followed from the discussion. First, since the hearing requirement was the single most powerful factor, the cheapest and most effective way for employers to reduce liability was to document a fair hearing in every case, even where the employee's misconduct appeared obvious. Second, because proof of reason lowered the probability of an adverse finding but did not remove it, employers had to ensure that the reasons were recorded and linked to evidence, not merely asserted. Third, because compensation increased steeply with tenure and rank, the law's deterrent effect was weakest for recent hires and junior staff, who were also least likely to be represented, so that targeted legal aid or minimum compensation floors might be considered.

The study also suggested an agenda for the Industrial Court itself. The Court could publish annual statistics on the proportion of dismissals found to be procedurally and substantively unfair, on average awards and on time to disposal, which would enable employers and workers to understand the practical consequences of non-compliance. It could also develop practice directions on the content of a proper section 66 hearing, including the form of notice, the right to be accompanied and the keeping of minutes, so as to reduce uncertainty about what compliance required.

8.0 Conclusions

The study concluded that Ugandan labour law protected employees against unfair dismissal principally through the statutory duties to give reasons, notice and a hearing, supported by the burden placed on employers to prove the reason for dismissal and by the Industrial Court's consistent enforcement of those duties. In the disputes studied, failure to give a hearing was the strongest predictor of a finding of unfairness and of higher compensation, while proof of a valid reason reduced the likelihood of success. Legal representation, length of service and seniority raised the odds and amounts, showing that effective protection depended on access to counsel and varied with the employee's position. The law's protection was thus strong for employees who reached adjudication with support, but the large share of dismissals without a hearing indicated weak voluntary compliance by employers.

The study's findings should also be read against the wider labour market. Because the Employment Act protects employees who are in a recognised employment relationship, workers in the informal economy, casual workers and those without written contracts may find it difficult even to establish that they have been dismissed, still less to prove the elements of a claim. The disputes analysed here therefore represented a relatively advantaged group of workers who were aware of their rights and had access to labour officers. The true level of unfair dismissal in the economy

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was likely to be much higher than the sample implied, and the protective effect of the law was correspondingly narrower than its formal scope. Policy responses should therefore include measures to formalise employment relationships, extend written statements of terms to all workers, and make labour offices accessible outside the main urban centres (International Labour Organization, 2011).

In addition, the pattern of results has implications for dispute prevention. Since most successful claims involved identifiable procedural defaults, many disputes could have been avoided by internal grievance and disciplinary systems that complied with the Act. Employers' federations and trade unions could therefore play a preventive role by negotiating model procedures in collective bargaining agreements, and by training supervisors in the requirements of sections 66 and 68. Early conciliation by labour officers, with a focus on reinstatement or agreed severance, would also reduce the cost and time of formal adjudication for both parties.

9.0 Recommendations

First, the Ministry of Gender, Labour and Social Development should intensify labour inspection and employer education on sections 58, 66, 68 and 69, with model disciplinary procedures and templates for notification and hearing. Second, employers' associations and human resource professionals should adopt written disciplinary codes and keep records of reasons, notices and hearings. Third, the Government, trade unions and the Uganda Law Society should widen access to legal aid and paralegal services for dismissed workers, particularly for lower-paid employees. Fourth, the Judiciary should provide clear guidelines for the assessment of compensation, including the treatment of tenure, seniority and procedural default, and should consider whether reinstatement should be ordered more frequently where reasons are not proved. Fifth, Parliament should consider extending the three-month period for complaints under section 71(2) and strengthening protection for workers with less than six months of service. Sixth, researchers should repeat the study with authentic award data, and extend it to informal workers who never reach the Industrial Court.

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