# TERMINATION OF CONTRACT OF EMPLOYMENT; REASON(S) REQUIRED OR NOT? A REVIEW OF GHANA'S LABOUR STATUTES AND CASE LAWS

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#### **ABSTRACT**

The laws which regulate employment relations have gone through various stages from the master-servant relationship in the medieval period to the current statutory implied provisions embedded in employment contracts. In the current era of insatiable search for the rights and dignity of all persons across the world, the need to ensure decent work conditions has been of great interest. The right of workers to enjoy employment security is entrenched in the International Labour Organization (ILO) Convention on Termination of Employment (Convention 158) and Termination of Employment Recommendations in 1963. State parties to the ILO are required to incorporate such provisions in their national laws. The ILO Conventions and Recommendations on termination of employment contract require that employment contract should be terminated on a stated reason but not at the whim and caprices of the employer. Though Ghana has not yet ratified the ILO Convention 158, the passage of the Labour Act 2003, (Act 651) was guided by the provisions in the ILO Convention on Termination of Employment. Notwithstanding the safeguards provided in Ghana's Labour Act to protect employees from arbitrary termination of employment, the judicial interpretations have maintained the view that an employer can terminate an employment contract without giving reasons. This interpretation placed the Ghanaian worker at the mercy of the employer. What is worse is that many negotiated collective agreements contain provisions for the termination of a contract of employment at will. A recent judicial interpretation has departed from the previous view that an employment contract can be terminated without reason, thereby giving a sigh of relief to the Ghanaian worker. This paper, through theoretical reviews, seeks to reinforce the judicial interpretation that there must necessarily be a reason for the termination of a contract of employment.

**Keywords:** Employee relations, Termination, Employment, International Labour Organization, Judicial interpretation

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#### INTRODUCTION

According to Kahn-Freund, there is an imbalance of power between the employer and the employee.<sup>2</sup> Whereas the employer is the bearer of power, the employee is powerless and subservient.<sup>3</sup> At the onset, the employee is submissive and remains subordinate throughout the subsistence of the contract of employment.<sup>4</sup> This is so because of the employer's inherent right to terminate the employment to the detriment of the worker. At common law, employment relationship has before the 19<sup>th</sup> century, been advantageous to the employer to the detriment of the worker. The employer could dismiss the employee arbitrarily with little regard to procedural requirements.<sup>5</sup> The practice was reinforced by the common law implied terms such as the duty to take care, to co-operate and to obey the employer. The court readily upheld those implied terms, thereby imposing greater responsibility on the employee with minimal commitment from the employer. The plight of marginalized employees was worsened by the unavailability of the remedy of specific performance in employment contracts, whereas onerous restrictive covenants regarding confidentiality followed the employee even after termination.<sup>7</sup> In the United Kingdom, the inadequacy of the common law principles, coupled with labour unrest and international pressures for the protection of workers' rights culminated in the passage of the Labour Relations Act, 1971. The Act guarantees against unfair, arbitrary and irrelevant grounds for dismissal of an employee. In effect, the dismissal of an employee had to be justified by a reasonable cause. 8 The Act also established Industrial Tribunals to give easy access to workers with complaints of arbitrary dismissals.

<sup>&</sup>lt;sup>2</sup> Kahn-Freund, Otto. "The Industrial Relations Act 1971-Some retrospective reflections." Indus. LJ 3 (1974): 186.

<sup>&</sup>lt;sup>3</sup> Ibid.

<sup>&</sup>lt;sup>4</sup> Tamara (Collier and Fergus ed) *Labour Law in South Africa Context and Principles 1e. Oxford University Press Southern Africa*. (2020) 8 ed Collier & Fergus (eds) at p 11.

<sup>&</sup>lt;sup>5</sup> Hazel Cart, Dismissed Employees: The search for a more effective range of remedies: The Modern Law Review (1989) 52 No 4 p 449.

<sup>&</sup>lt;sup>6</sup> Ibid

<sup>&</sup>lt;sup>7</sup> Ibid. See Fox, Beyond Contract: Trust, Power and Work Relations (1976) pp. 181-184

<sup>&</sup>lt;sup>8</sup> Hazel Cart, op cit note 5 at p 451.

In South Africa, the Labour Relations Act (LRA)<sup>9</sup> enjoins employers to comply with substantive and procedural requirements for the dismissal of an employee.<sup>10</sup> The employer bears the onus of proving that a dismissal is both substantively and procedurally fair whereas the worker only proves the existence of dismissal.<sup>11</sup> Dismissal is defined in section 186 (1) of the LRA to mean any one of the following circumstances:

- i. 'an employer has terminated employment of the worker with or without notice to the worker;
- ii. an employee employed for a fixed-term contract of employment reasonably expected the employer:
  - a) to renew a fixed-term contract of employment on the same or similar terms but the employer offered to renew it on less favourable terms, or did not renew it; or
  - b) to retain the employee in employment on an indefinite basis but otherwise on the same or similar terms as the fixed-term contract, but the employer offered to retain the employee on less favourable terms or did not offer to retain the employee; an employer refused to allow an employee to resume work after she took maternity leave in terms of any law, collective agreement or her contract of employment;
- iii. an employer who dismissed some employees for the same or similar reasons has offered to re-employ one or more of them but has refused to re-employ another;
- iv. an employee terminated employment with or without notice because the employer made continued employment intolerable for the employee; or

<sup>&</sup>lt;sup>9</sup> No. 66 of 1995.

<sup>&</sup>lt;sup>10</sup> Schedule 8 of the LRA.

<sup>&</sup>lt;sup>11</sup> LRA section 188(1).

v. an employee terminated employment with or without notice because the new employer, after a transfer in terms of section 197 or section 197A, provided the employee with conditions or circumstances at work that are substantially less favourable to the employee than those provided by the old employer.' 12

The Employment Rights Act 1996 ('the ERA') of the United Kingdom provides for statutory grounds on which an employer can fairly terminate the employment of an employee.<sup>13</sup> The employer must convince the Employment Tribunal that his reason for the dismissal falls within the potentially fair reasons for dismissal. Short of that, the dismissal is unfair and the employee shall succeed in his claim. The Act describes the circumstances in which an employee is deemed to be dismissed to include the following; that the contract under which he is employed is terminated by the employer (whether with or without notice); that the employee is employed under a limited-term contract and the contract terminates by virtue of the limiting event without being renewed under the same contract, or that the employee terminates the contract under which he is employed (with or without notice) in circumstances in which he is entitled to terminate it without notice by reason of the employer's conduct. 14 The dismissal also occurs when the employer gives notice to the employee to terminate his contract of employment, and at a time within the period of that notice, the employee gives notice to the employer to terminate the contract of employment on a date earlier than the date on which the employer's notice is due to expire. In the latter case, the reason for the dismissal is to be taken to be the reason for which the employer's notice is given. 15 From the definition of the concept of dismissal in the ERA, it connotes or is coterminous with termination of employment. Under the ERA, the employee is entitled to be provided by the employer with a written statement giving particulars of the reasons for the employee's dismissal.<sup>16</sup>

<sup>&</sup>lt;sup>12</sup> Ibid section 186 (1).

<sup>&</sup>lt;sup>13</sup> Employment Rights Act 1996 s 98.

<sup>&</sup>lt;sup>14</sup> Ibid. s 95 (1).

<sup>15</sup> Ibid s 95(2),

<sup>&</sup>lt;sup>16</sup> Ibid s 92(1)

The question of whether a particular dismissal is fair or otherwise depends on the circumstances of each case and whether the employer acted reasonably or unreasonably in treating the reason for dismissal as sufficient to warrant the dismissal of an employee.<sup>17</sup> In determining the reasonableness of a dismissal, equity and the substantial merits of the case shall prevail. 18 The two cases of *British* Home Stores (BHS) v Burchell<sup>19</sup> and Iceland Frozen Foods v Jones<sup>20</sup> lay down the determinants of fairness of the dismissal of an employee. First, the employer holds a genuine belief that the reason given for the dismissal was the reason; whether such reason was reasonably founded, based on a reasonable investigation; and whether a reasonable employer would have dismissed the employee for that misconduct. These protections enshrined in the UK statutes are fairly in compliance with the ILO convention on the termination of employment. However, the Ghanaian position seems to deviate from the international best practice. Ghana's Labour Act<sup>21</sup> provides for substantive and procedural grounds for termination of employment. The substantive grounds of termination include the following:- first, mutual agreement between the employer and the worker; second, by the worker on grounds of ill-treatment or sexual harassment; third, by the employer on the death of the worker before the expiration of the period of employment; forth, by the employer if the worker is found on medical examination to be unfit for employment; fifth, by the employer because of the inability of the worker to carry out his or her work due to sickness or accident; or incompetence of the worker or proven misconduct of the worker.<sup>22</sup> The procedural ground of termination requires the employer to comply with the necessary notice period depending on the nature and type of employment.<sup>23</sup> However, the courts and employers have misconstrued the compliance of the notice period as satisfaction or fulfilment of substantive and procedural grounds of appeal.

<sup>&</sup>lt;sup>17</sup> David Bradley, 'Assessing the fairness of a dismissal' (2019) <u>64619</u> (peoplemanagement.co.uk)

<sup>&</sup>lt;sup>18</sup> Ibid.

<sup>19 [1978]</sup> IRLR 379

<sup>&</sup>lt;sup>20</sup> [1982] IRLR 439; ICR 17

<sup>&</sup>lt;sup>21</sup> 2003, Act 651

<sup>&</sup>lt;sup>22</sup> Ibid s 15.

<sup>&</sup>lt;sup>23</sup> Ibid s. 17.

This paper draws the attention of the legal fraternity to the error committed in the application of the concept of termination of employment in the Labour Act. The concept has emboldened many employers to terminate the employment of employees at will and without any reasonable ground. This error of application ought to be corrected in order to avoid the perpetration of injustice against employees. The paper shall review Ghanaian case laws which have held the position that employment could be terminated without giving reason or grounds for termination. Further, the recent decision by the Supreme Court which seeks to depart from the long-held view and to correct the errors committed in the past. The research will be situated within the statutory doctrines and principles governing the termination of employment contracts. This is because, by the principle of hierarchy of norms, statute takes precedence over common law and case laws.

The goal of this paper is to review the various theories of termination of employment laws propounded by jurists and the international standard set under the auspices of a global body, the International Labour Organization (ILO) and situate them within the judicial approach in Ghana. The question this paper attempts to resolve is whether the Ghanaian court's construction and application of the Labour Act, 2003, (Act 651) to the effect that an employer can terminate employment contract without giving reason to the employee is a good law. The paper examines this issue in the light of ILO Convention 158 which stipulates the grounds for termination of contract of employment. Though Ghana has yet to ratify Convention 158, Ghana is under a moral obligation not to do anything to denigrate the intent and purpose of the ILO Convention. The paper seeks to ensure that the employee rights inherent in a democracy and secure the freedom and dignity of man in other jurisdictions are incorporated in the inexhaustive lists of human rights guaranteed in the 1992 constitution.<sup>24</sup>

The author argues that the position affirmed by the courts in Ghana that, an employer can terminate the employment of an employee without giving a reason is not a good law even on the face of the Labour Act. It equally conflicts with the ILO Convention 158 and other international best practices and protections afforded to employees. Further, the paper will argue that the recent Supreme Court decision

<sup>&</sup>lt;sup>24</sup> Constitution of Ghana 1992, article 33(5)

in the case of *George Akpass vs. Ghana Commercial Bank Ltd*<sup>25</sup> should settle the law.

The study adopted the qualitative research approach to analyse the phenomenon. It relied on the doctrinal legal research design. This approach is also sometimes referred to as the "black letter" method; it places more emphasis on the letter of the law than the actual application of the law. Using this technique, a researcher creates a detailed and descriptive examination of legal provisions discovered in original sources (cases, statutes, or regulations). The data were collected from over 30 sources, including "the rule itself," cases brought under the rule, relevant legislative and case law history, commentaries and literature on the rule, journals, reports, documents from government agencies and institutions, website and online publications, policy and other relevant documents. Examples of such sources were: The Modern Law Review (1989), Aryee v State Construction Corporation [1984-86] 1 GLR 425 CA, Bannerman-Menson vs. Ghana Employers' Association [1996-97] SCGLR 417, George Akpass vs. Ghana Commercial Bank Ltd, Constitution of Ghana, 1992, Labour Act 2003 (Act 65) and The Termination of Employment Convention, 1982 (No. 158) among others. The data selected were germane to the main themes and aligned with the objectives of the study. They helped to describe the law, compare the sources and explain the overarching theme or system.

The choice of qualitative research in general is appropriate because it helps to describe a topic rather than measure, assess opinions, views and qualities rather than pictorial presentations.<sup>26</sup> By gathering and examining non-numerical data, the qualitative approach aided better comprehension of ideas, experiences and views from the materials collected.<sup>27</sup>

The analysis of the data relied on the thematic analytical approach. The data from the cases, statutes, regulations and other relevant documents were carefully coded

<sup>&</sup>lt;sup>25</sup> [2021] DLSC10768 at p 18.

<sup>&</sup>lt;sup>26</sup> Chinere, N. Ugwu, Val H.U. Eze 'Qualitative research. International Digital Organization for Scientific Research, IDOSR' 2023, *Journal of Computer and Applied Sciences* Vol. 8 No. 1 at p 33.

<sup>&</sup>lt;sup>27</sup> Ibid. at p 33

and examined according to themes: termination of employment, ILO termination of employment, Ghanaian concepts of termination of employment and dismissal, a shift towards reasoned termination of employment, among others. The study analysed the interpretation and application of the law on the termination of contracts (in Ghana). It focused primarily on the law's shortcomings and flaws and provided remedies. The analysis was also sifted through the various theories of termination of employment.

This paper is written in six sections. The first section introduces the paper by way of background information, research aim, and the method employed. The second section discusses the theories of termination of employment. The third section looks at the ILO termination of employment while the fourth section looks at termination of employment without reason. The fifth section discusses the shifts towards reasoned termination of employment while the final section provides a conclusion to the paper.

#### THEORIES OF TERMINATION OF EMPLOYMENT

Cases of termination of contract of employment have over the years been decided on various legal principles propounded by courts and jurists. These principles have become the guidelines on which future cases shall be determined. This section attempts to discuss some of the theories upon which the termination of the contract of employment rests. These theories include the elective theory, automatic theory, mutuality of obligations doctrine and termination of employment contract theory, common law doctrine of employment-at-will and lastly, statutory intervention created to cure the defect of the employment-at-will relationships.

The study, however, relies principally on the common law doctrine of employment-at-will as the theory underpinning the analysis. This is chosen for various reasons including the fact that Ghanaian case laws aligned favourably with the common law doctrine of employment-at-will. Further reasons are given in the subsequent discussion.

The elective theory stipulates that where an employer repudiates the contract of employment unilaterally in breach of the implied mutual terms and conditions but short of dismissal, the employee must accept the repudiatory breach before the employment can be treated as effectively terminated. In this circumstance, the 'elective' theory gives the employee the option to either accept the breach and claim damages for constructive wrongful dismissal at common law upon resignation or affirm the contract so that it continues in existence.<sup>28</sup> This theory aligns with contract law.

The automatic theory of the termination of employment holds that an employer's unilateral repudiatory breach of the material terms of the employment operates automatically to terminate the contract of employment.<sup>29</sup> The automatic theory operates on the principle that a contract of employment cannot survive wrongful dismissal. This is because, in English law, there is a presumption against an order of specific performance or injunctive relief in the context of the actual or threatened dismissal of an employee.<sup>30</sup> It is, however, argued that it is difficult to regard a continuous employment relationship where the employer's dismissal is a repudiatory breach.<sup>31</sup> Before the Supreme Court of the United Kingdom made a definitive pronouncement to settle the parameters of these theories in *Societe Generale (London Branch) v Geys*<sup>32</sup>, there were different views expressed by the court on these theories.<sup>33</sup> However, the Supreme Court has endorsed the elective theory of termination of an employment contract.

The Mutuality of Obligations Doctrine and Termination of Employment Contract theory, which was propounded by Lord Drummond Young in the case of *McNeill v Aberdeen City Council (No 2)*. <sup>34</sup> This concept is unique to the Scots common law in contradistinction to the English common law. This principle thrives on the

<sup>&</sup>lt;sup>28</sup> David Cabrelli, Rebecca Zahn 'The Elective and Automatic Theories of Termination at Common Law: Resolving the Conundrum?' 2012 (*ILJ*) Vol 41, 3 at p 349; John McMullen 'A Synthesis of the Mode of Termination of Contracts of Employment' 1982 *Cambridge Law Journal* Vol. 41, No. 1 at p 111.

<sup>&</sup>lt;sup>29</sup> David Cabrelli, Rebecca Zahn 'The Elective and Automatic Theories of Termination at Common Law: Resolving the Conundrum?' 2012 (*ILJ*) Vol 41, 3 at p 346.

<sup>&</sup>lt;sup>30</sup> Ibid at p 347.

<sup>&</sup>lt;sup>31</sup> Ibid.

<sup>&</sup>lt;sup>32</sup> Societe Generale (London Branch) v Geys [20121 UKSC 63, [20131 1 AC 523 at 349. Also see Gunton v Richmond Upon Thames, [1981] 1 Ch 448. Boyo v LB of Lambeth [1994] ICR 727.

<sup>&</sup>lt;sup>33</sup> David Cabrelli, Rebecca Zahn 'The Elective and Automatic Theories of Termination at Common Law: Resolving the Conundrum?' 2012 (*ILJ*) Vol 41, 3 at p 346.

<sup>&</sup>lt;sup>34</sup> McNeill v Aberdeen City Council (No 2) [20131 CSIH 102, [20141 IRLR 113.

merger of a statutory constructive dismissal under section 95(1)(c) of the Employment Right Act<sup>35</sup> and traditional common law principles under the law of contract. At common law, a breach of an express term of a contract, or a common law implied term of the contract of employment by the employer is automatically repudiatory and it would be considered sufficiently serious enough to entitle the employee to claim constructive dismissal. The effect is that it also amounts to statutory constructive dismissal.<sup>36</sup> The facts of the McNeill case were that the employee was in anterior repudiatory breach of the contract of employment, having breached an implied terms of mutual trust and confidence (ITMT&C) but the employer failed to accept the employee's breach and terminated the employment contract. While the employee's breach was still at play, he sued the employer on a claim of constructive dismissal under section 95(1)(c) of ERA on the ground that his employer had committed a repudiatory breach of an implied term of mutual trust and confidence. In the Employment Appeal Tribunal ("EAT"), <sup>37</sup> the claim of statutory constructive dismissal under section 95(1)(c) was dismissed. The court invoked the doctrine of mutuality of contractual obligations to prevent the employee from demanding performance from the employer and to accept the employer's subsequent repudiatory breach as bringing the contract to an end.

However, on appeal to the Inner House, Lord Drummond Young said: '[whilst the ITMT&C] affects the way that the parties act in performing their substantive duties ... it is conceptually distinct [and therefore] ... if there is a sufficiently material breach of contract by the employee, the employer will be justified in suspending employment and not paying salary or wages, but will not be justified in going further and performing acts that are calculated to destroy or seriously damage the

<sup>&</sup>lt;sup>35</sup> Employment Rights Protection Act of United Kingdom.

<sup>&</sup>lt;sup>36</sup> David Cabrelli (University of Edinburgh) 'The Mutuality of Obligations Doctrine and Termination of the Employment Contract: McNeill v Aberdeen City Council (No 2)' 2014 (EdinLR) Vol 18 p 260. Also see HUGH COLLINS (London School of Economics) 'Constructive Dismissal and the West Lothian Question: Aberdeen City Council v McNeill' 2011 *ILJ*, Vol. 40, No. 4 at p 439.

<sup>&</sup>lt;sup>37</sup> Aberdeen City Council v McNeill [2010] IRLR 374.

relationship of mutual trust and confidence.'38 In justifying the holding that the ITMT&C was not a substantive obligation, the court reasoned that to "find otherwise would enable the employer to take any prior repudiatory breach by the employee and use it as a means of treating the employee in a "wholly outrageous manner, without any redress" which would "promote unfairness".<sup>39</sup>

Another theory of termination of an employment contract is the statutory intervention created to remedy the employment-at-will relationships. This theory seeks to protect the employment rights of workers since employment is fundamental to human existence and lack of it endangers humans' dignity. The doctrine requires termination of employment only on grounds of valid reasons, subject, however, to statutory requirements such as pension age. The International Covenant on Economic, Social and Cultural Rights<sup>40</sup> prohibits the deprivation of people's means of subsistence.<sup>41</sup> The theory is found in international treaties, instruments, conventions, national laws, collective agreements, etc. This theory was confirmed by Joan Bertin Lowy when she stated that: 'Once public employment has been secured, the constitution of member states does limit the method and reasons that may be utilized to dismiss an incumbent employee.'<sup>42</sup>

The theory of termination of employment underpinning the study is the common law doctrine of employment-at-will. At common law, the doctrine of employment-at-will entitles the employer to discharge an employee for a good cause, a bad cause, or no cause at all, without any contractual limitations.<sup>43</sup> Similarly, the

<sup>&</sup>lt;sup>38</sup> David Cabrelli (University of Edinburgh) 'The Mutuality of Obligations Doctrine and Termination of the Employment Contract: McNeill v Aberdeen City Council (No 2)' 2014 (EdinLR) Vol 18 p 262.

<sup>39</sup> Ibid.

<sup>&</sup>lt;sup>40</sup> International Covenant on Economic, Social and Cultural Rights was adopted and opened for signature, ratification and accession by General Assembly resolution 2200A (XXI) of 16 December 1966 and entered into force on 3 January 1976, in accordance with article 27.

<sup>&</sup>lt;sup>41</sup> Ibid at article 1(2).

<sup>&</sup>lt;sup>42</sup> Joan Bertin Lowy, *Constitutional Limitations on the Dismissal of Public Employees*, 43 BROOK. L. REV. 1 (1976) at p 2 Bluebook 21st ed.

<sup>&</sup>lt;sup>43</sup> Mordsley & Steven R. Wall: *The Dismissal of Employees under the Unfair Dismissal Law in the United Kingdom and Labor Arbitration Proceedings in the United States: The Parameters of Reasonableness and Just Cause*, 16 CORNELL INT'l L.J. 1 (1983). Bluebook 21st ed. Also see

employee is at liberty to cut employment ties with his employer at any time without giving any reason. This theory is grounded or aligned with the common law principle of master-servant in employment relationships. In Ridge v Baldwin, 44 Lord Reid emphasizes that 'the law regarding master and servant relationship is not in doubt. There cannot be specific performance of a contract of service, and the master can terminate the contract with his servant at any time and for any reason or for none. '45 This theory puts the employees at peril. Marvin reported that majority of American workers were still employed at will, and they were subject to discharge for good reasons, bad reasons, false reasons or for no reason.<sup>46</sup> However, through statute, collective bargaining agreements and judicial activism, the doctrine of employment at will has been watered down in America. For instance, the courts have entertained cases brought by employees dismissed at will and found the employers liable on grounds of implied covenants of good faith and fair dealing, public policy, and whistleblowing to limit the operation of the employment-at-will doctrine.<sup>47</sup> Indeed, while the employer is at liberty to hire and fire at will and for virtually any reason, there are statutory exceptions to this doctrine. For instance, an employer is prohibited from discriminatory reasons including the employee's gender, race, ethnic origin, social and economic status, colour, religion and creed<sup>48</sup> as the basis of the termination of the contract of employment. Employers are also prohibited from cutting employment relationships on account of the employee having blown a whistle.<sup>49</sup>

Ghanaian case laws aligned favourably with the common law doctrine of employment-at-will, which allows the employer to terminate the contract of employment without giving any reason. The choice of this theory is important given that Ghanaian case laws rely on the key tenets of the theory in deciding on the termination of the contract in whichever way. Both employers and the Court

Marvin F. Hill Jr., Arbitration as a Means of Protecting Employees from Unjust Dismissal: A Statutory Proposal, 3 N. ILL. U. L. REV. 111 (1982) at p 112 Bluebook 21st ed.

<sup>44 [1963]</sup> APP.L.R 03/14, HL

<sup>&</sup>lt;sup>45</sup> Ibid.

<sup>&</sup>lt;sup>46</sup> Ibid, Marvin F. Hill Jr.,

<sup>&</sup>lt;sup>47</sup> Ibid; Mordsley & Steven R. Wall at p 6. Also see Marvin F. Hill Jr., at p 112.

<sup>&</sup>lt;sup>48</sup> 1992 Constitution of Ghana, article 17(2).

<sup>&</sup>lt;sup>49</sup> Whistleblower Act, 2006 (Act 720) s 12(2).

refer to its provisions in making decisions about interpretation and termination of contracts. The theory also helps to explain and point out the weaknesses of the entire judicial system with respect to the complex relationship between employers and employees, clientele and service providers. The study argues that the theory's "double-edged sword" makes it vague and gives room for too much flexibility and multiple interpretations. It is not surprising that Ghanaian courts continue to give divergent interpretations and adopt different applications to the law. Thus, the need for measures to ameliorate the complexity and the multiplicity in the application and interpretation of the laws governing the termination of contract (in Ghana) has become imperative.

It is however argued that following the passage of Ghana's Labour Act in 2003, the employment relationship is no longer regulated by the traditional master-servant relationship but a contractual relation between the employer and the employee. Consequently, labour legislations give greater protection to the employee who is a weaker party in the contractual relationship. Therefore, the power of the employer to terminate the contract employment at will has been whittled down. It is further postulated that the traditional view that an employer can terminate a contract of employment at will and without reason is no longer a good law.

## THE ILO TERMINATION OF EMPLOYMENT CONVENTION, 1982, (NO. 158)

The Termination of Employment Convention was adopted following significant developments that occurred in the law and practices of the ILO member states on the back of the Termination of Employment Recommendations in 1963. Convention 158, therefore, sets new international standards for termination of employment due to the emerging instances of termination of employment in many countries arising from economic difficulties and technological changes.<sup>50</sup>

The adoption of the Termination of Employment Convention by the ILO was informed by the economic difficulties and technological changes employers in

<sup>&</sup>lt;sup>50</sup> See the preamble to the Termination of Employment Convention, 1982 (No. 158).

many countries experienced in the years preceding 1982.<sup>51</sup> Workers bore the brunt of the employers' response to the economic difficulties and technological changes. The obvious response of many employers was the termination or retrenchment of their employees. Workers in some countries became victims of arbitrary dismissals by their employers. Morsch<sup>52</sup>, for instance, reports that in Brazil, the absence of a regulatory framework to enforce the constitutional guarantee against arbitrary dismissal gave employers the leeway to terminate employment on whimsical grounds. For instance, employers terminated employment and rehired employees for the same job for a lower pay rate. A report from the Ministry of Labour and Employment Statistics (CAGED) reveals that one-third of dismissals occur during the worker's first year of employment in the enterprise concerned.<sup>53</sup>

Convention 158 has four parts and 22 articles. The first part deals with the methods of implementation, the scope and definitions while the second part is about the standard of implementation. The third part is on supplementary provision relating to the termination of employment for economic, technological, structural and similar reasons. The fourth part has the final provision. Convention 158 is supplemented by a non-binding instrument, R166 - Termination of Employment Recommendation, 1982 166). The makes (No. instrument recommendations for state parties to include in their national legislation, collective agreement, judicial decisions, work rules, and arbitration awards to give effect to Convention 158.<sup>54</sup>

The scope of the Convention, therefore, excludes fixed-term contract employees, probationary employees, casual employees, <sup>55</sup> categories of employees with equivalent protection the Convention offers and categories of employees in undertakings (institutions or organisations) with special problems including the

<sup>&</sup>lt;sup>51</sup> Termination of Employment Convention, 1982 (No. 158) at the preamble.

<sup>&</sup>lt;sup>52</sup> Magda Barros Biavaschi Camila Morsch, a retired judge from Brazil's Regional Labour Court for Region 4, is a Master of Law and Public Institutions at the UFSC.

<sup>&</sup>lt;sup>53</sup> Magda Barros Biavaschi Camila Morsch '*ILO Convention 158*, the right to employment and implementation problems in Brazil: contradictions and social tensions' at pa 12. https://www.ilera2015.com/dynamic/full/IL213.

<sup>&</sup>lt;sup>54</sup> Termination of Employment Recommendation, 1982, Recommendation 1.

<sup>&</sup>lt;sup>55</sup> Termination of Employment Convention, 1982 (C. 158) at article 2(2).

<sup>&</sup>lt;sup>56</sup> Ibid at article 2(4).

size and nature of the work.<sup>57</sup> However, the Convention prohibits contracts of employment nuanced in a manner to circumvent the legal obligation of the employer to deprive the employee of protections upon termination of employment.<sup>58</sup> In response to the possibility of circumvention of a contract of employment, the Termination of Employment Recommendation, 1982 (No. 166) recommends that state parties make provisions in their labour legislations to deem contracts of employment for a specified period as indeterminate if it is renewable for more than one occasion.<sup>59</sup> The Convention construes the terms 'termination' and 'termination of employment' in a limited sense to mean termination of employment at the instance of the employer but not the employee.<sup>60</sup>

There must always be a valid reason related to a worker regarding her capacity or conduct or based on the operational requirements of the undertaking, establishment, or service for the termination of the contract of employment. Termination of employment shall not be valid if the reason for the termination is age, (other than the national retirement age), absence from work because of national, civic or military duties, and temporary absence due to ill health or injury. What constitutes a temporary period of absence is subject to the laws of the member country. In the view of the committee of experts, <sup>61</sup> the need to base termination of employment on a valid reason is the cornerstone of the provision in the Convention. <sup>62</sup> The provisions in Article 4, therefore, bar the employer from any unilateral termination of the employment relationship. The employer is required not to only give reasons for the dismissal, but also ensure that the reason is grounded on the 'fundamental principle of justification', connected with the

<sup>&</sup>lt;sup>57</sup> Ibid at article 2(5).

<sup>&</sup>lt;sup>58</sup> Ibid at article 2(3).

<sup>&</sup>lt;sup>59</sup> Termination of Employment Recommendation, 1982 (No. 166), Recommendation 3.

<sup>&</sup>lt;sup>60</sup> Termination of Employment Convention, 1982 (C. 158) at article 3.

<sup>&</sup>lt;sup>61</sup> Committee of Experts on the Application of Conventions and Recommendations of the ILO.

<sup>&</sup>lt;sup>62</sup> 'Note on Convention No. 158 and Recommendation No. 166 concerning termination of employment' at p 1. The note was prepared by the International Labour Standards Department (Sector I), the Employment Analysis and Research Unit (Sector II) and the Social Dialogue, Labour Law and Labour Administration Branch (Sector IV), with the collaboration of specialists from the ILO Training Centre in Turin.

capacity, or conduct of the worker or based on the operational requirements of the undertaking.<sup>63</sup>

To justify the termination of employment on grounds of lack of capacity of the worker, the employer must show that the worker either lacks the requisite skills or qualities to perform her assigned tasks, leading to unsatisfactory performance or her work performance is poor, not due to intentional misconduct, but because of incapacity to perform work due to illness or injury. Similarly, termination of employment connected with the conduct of the worker takes two forms. The first is the inadequate performance of the worker's assigned duties which she was contracted to carry out because of neglect of duty, violation of work rules, disobedience of legitimate orders, etc. The second form is a general improper behaviour of the worker including disorderly conduct, violence, physical assault, using insulting language, disrupting the peace and order of the workplace, etc.

Finally, though the Convention does not define the concept of "operational requirements, it is generally accepted to include reasons of economic, technological, structural or similar nature. Dismissals resulting from operational requirements may affect an individual or a group. It is a no-fault dismissal that is intended to reduce the workforce. Convention 158 supports productive and sustainable enterprises. It also recognizes that in times of economic downturns, the employer is reasonably expected to reorganize in order to sustain the enterprise. Financial difficulties constitute a valid reason for termination of employment. However, the employer is expected to engage in a social dialogue with workers or their representatives to search for alternative means to avoid or minimize the social and economic impact of termination of employment for workers. This is a core procedural response to collective dismissals on grounds of operational requirements. However, the employer cannot justifiably and validly terminate employment on one or more of the following non-exhaustive lists of reasons:

<sup>63</sup> Ibid.

<sup>&</sup>lt;sup>64</sup> Ibid at p 2. Also see Termination of Employment Convention, 1982 (C. 158), article 4.

<sup>&</sup>lt;sup>65</sup> 'Note on Convention No. 158 and Recommendation No. 166 concerning termination of employment' at p 44.

<sup>66</sup> Ibid.

- i) union membership or participation in union activities outside of working hours or, with the consent of the employer within working hours;
- ii) seeking office as, or acting or having acted in the capacity of, a workers' representative;
- iii) filing of a complaint or participation in the proceedings against an employer involving an alleged violation of laws or regulations or recourse to competent administrative authorities;
- iv) race, colour, sex, marital status, family responsibilities, pregnancy, religion, political opinion, national extraction or social origin; and
- v) absence from work during maternity leave.<sup>67</sup>

### Ghanaian concepts of termination of employment and dismissal

This section will proceed to examine the Ghanaian concept of termination of employment within the theories of employment-at-will characterized by the principle of master-servant relation and statutory intervention. Both termination and dismissal are means of severing the employment relationship between an employer and a worker. The two concepts developed out of the common law.<sup>68</sup> The constitution of Ghana guarantees public service workers against arbitrary dismissal from their employment except for a just cause.<sup>69</sup> The constitutional protection against unjust dismissal is specific to public service workers. The constitution does not use the phrase "termination of employment" with regard to public servants. The Labour Act has given statutory recognition to the concept of termination of employment.<sup>70</sup>

Whereas the constitution of Ghana uses the word "dismissal" to describe severance of employment relationship, the Labour Act uses "termination of employment" to describe employment severance. The concept and grounds for termination of employment are sufficiently explained in Act 651, but dismissal is not defined. The two concepts are disjunctively used in the Labour Act, which suggests that the

<sup>70</sup> See sections 15-18 and 62-64 of the Labour Act 2003 (Act 651).

<sup>&</sup>lt;sup>67</sup> Termination of Employment Convention, 1982 (C. 158) at article 5. Also see p 8 of '*Note on Convention No. 158 and Recommendation No. 166 concerning termination of employment*' at p 1.

<sup>&</sup>lt;sup>68</sup> George Akpass vs. Ghana Commercial Bank ltd. [2021] DLSC10768 at p 18.

<sup>&</sup>lt;sup>69</sup> op cit note 24 article 191(b).

legislator did not intend similar or the same meaning for both words.<sup>71</sup> For instance, section 119 (2) of the Labour Act provides that 'an employer shall not *dismiss or terminate* the employment of a worker or withhold any remuneration of a worker who has removed himself or herself from a work situation, which the worker has reason to believe, that presents an imminent and serious danger to his or her life, safety, or health.'

Though the term dismissal is used in the Labour Act, the grounds for dismissal are not provided, unlike termination. The Act states, 'the provision in the section that a terminated worker would be entitled to his annual leave earned in the calendar year and shall not be deprived of any other grants or awards including payment in lieu of notice of termination which the worker is entitled to will not apply to cases where the employer has the right to *dismiss* a worker without notice.'<sup>72</sup> This implies that in the case of dismissal, the dismissed employee is not entitled to annual leave earned and other benefits due to an employee whose contract of employment is terminated. The Act also provides that 'a person who seeks by intimidation, *dismissal*, threat of *dismissal*, or by any kind of threat or by imposition of a penalty, or by giving or offering to give a wage increase or any other favourable alteration of terms of employment, or by any other means, seeks to induce a worker to refrain from becoming or continuing to be a member or officer of a trade union is guilty of unfair labour practice.'<sup>73</sup>

### TERMINATION OF EMPLOYMENT WITHOUT REASON - EMPLOYMENT-AT-WILL

Act 651 came into force in 2003. The pre-2003 position of the law was that a contract of employment is not a contract of servitude. Both the employer and the employee were at liberty to terminate the contract at any time without assigning any reason. This position is referred to as the traditional rule as was clearly stated by the court in the case of *Kobi v Ghana Manganese Co Ltd*<sup>74</sup> that,

<sup>&</sup>lt;sup>71</sup> George Akpass supra note 189 at p 20.

<sup>&</sup>lt;sup>72</sup> Labour Act 2003, (Act 651) at section 30 (3) of the.

<sup>&</sup>lt;sup>73</sup> Ibid at section 127 (2).

<sup>&</sup>lt;sup>74</sup> [2007-2008] SCGLR 771.

'The traditional rule in employer-employee relationship, relied upon by the Court of Appeal (in the instant case) is that in dispensing with the services of an employee, an employer is at perfect liberty to either give or refuse to give reasons. However, in exercising that right, fairness must be the watchword.'<sup>75</sup>

Again, the traditional rule was further elucidated in the case of  $Aryee\ v\ State$   $Construction\ Corporation^{76}$  where  $the\ court\ stated$  as follows:

'It should be noted that a contract of service is not a contract of servitude. To say, as we are wont to do, that it gives rise to a masterservant relationship is to distort reality. The employee is not the servant; in the popular sense, of the employer. He is merely his employee. The contract is framed in such a way that either party may bring it to an end and free himself from the relationship painlessly. In this case, the defendant could at any time give the relevant three months' notice (or forfeit an equivalent in salary) and leave the corporation, without justifying his action to the corporation. He need not give any reason for his action nor is the corporation entitled, if he should give one, to satisfy itself that the reason is true or false, sufficient or insufficient, justified or unjustified. In the same way it would seem to us that the corporation need not assign any reason for choosing to terminate their contract with the defendant. The contract merely requires that the corporation gives three months' notice (or its equivalent in salary), and their conduct will be perfectly in order.'77

Thus, even after the promulgation of the Labour Act in 2003, the Ghanaian courts have interpreted and enforced the employment-at-will theory. In doing so, the courts hold a similar or same view to the doctrine of employment-at-will, which entitles the employer to discharge an employee for a good cause, a bad cause, or

<sup>&</sup>lt;sup>75</sup> Ibid at holding 3.

<sup>&</sup>lt;sup>76</sup>[1984-86] 1 GLR 425 CA,

<sup>&</sup>lt;sup>77</sup> Ibid per Adade, JSC at page 432.

no cause at all, without any contractual limitations. The courts have confirmed that an employer can terminate the employment of a worker without reason, but a dismissal must always be accompanied by a reason. In the case of *Kobea v Tema Oil Refinery*, <sup>78</sup> the judgment was delivered on 29<sup>th</sup> April 2004 when Act 651 came into force. The Supreme Court said,

'... an employer is legally entitled to terminate an employee's contract of employment whenever he wishes and for whatever reasons, provided only that he gives due notice to the employee or pay him his wages in lieu of notice. He does not have to reveal his reason, much less justify the termination...' On dismissal, the court stated that '...At common law, an employer may dismiss an employee for many reasons such as misconduct, substantial negligence, dishonesty, etc.... these acts may be said to constitute such a breach of duty by the employee as to preclude the further satisfactory continuance of the contract of employment as repudiated by the employee...'<sup>79</sup>

The Court of Appeal confirmed this and further elucidated the differences between termination of employment and dismissal. The court held that 'dismissal is where an employee's appointment has been truncated based on his behaviour.... Dismissal is an embarrassment as the employee loses most of his benefits.'80 Termination is not an embarrassment. Upon termination, the employee is entitled to her benefits. An employer may terminate the employment of her employee without any reason provided the required notice is given or the salary is paid in lieu of the notice per the collective agreement.<sup>81</sup> As previously stated, this theory always puts the employees in danger. Workers are still hired at will, and they can be fired for good reasons, terrible reasons, deceptive reasons, or no reason at all. However, the notion of employment at will has been toned down in America due

<sup>&</sup>lt;sup>78</sup> [2003-2004] 2 SCGLR 1033.

<sup>&</sup>lt;sup>79</sup> Kobea v Tema Oil Refinery [2003-2004] 2 SCGLR 1033 at p 1040.

<sup>&</sup>lt;sup>80</sup> Faustina Asantewaa & 7 ors v Registered Trustees of the Catholic Church of Koforidua. [2016] 92 GMJ 176 (CA).

<sup>81</sup> Ibid.

to legislation, collective bargaining agreements, and judicial activism.<sup>82</sup> To limit the operation of the employment-at-will doctrine, courts have heard cases brought by employees who were fired at will and found the employers accountable on grounds of implied agreements of good faith and fair dealing, public policy, and whistleblowing.

#### A SHIFT TOWARDS REASONED TERMINATION OF EMPLOYMENT

Even before the shift from the traditional rule, the Labour Act has provided the grounds for the termination of an employment contract. These include a mutual agreement between the employer and the worker; by the worker on grounds of illtreatment or sexual harassment; on the death of the worker, on medical grounds, inability of the worker to carry out work due to sickness or accident; or incompetence or proven misconduct of the worker. 83 That aside, Act 651 provides for a novel concept of fair and unfair termination of employment. Thus, section 62 of the Act provides that, 'A termination of a worker's employment is fair if the contract of employment is terminated by the employer on any of the following grounds; (a) that the worker is incompetent or lacks the qualification in relation to the work for which the worker is employed; (b) proven misconduct of the worker and (c) redundancy under section 65.' Further, section 63(4) also states that 'A termination may be unfair if the employer fails to prove that, (a) the reason for the termination is fair, or (b) the termination was made in accordance with a fair procedure or this Act'. The foregoing statutory provisions impose a duty on the employer to provide justification or reasons for the termination of employment. To fairly terminate an employment contract, the reason must be incompetence of the worker or lack of relevant skills to do the work, misconduct, and insolvency.

Notwithstanding the statutory provision stating the reasons for fair termination of employment and the grounds on which an employer can terminate the employment of a worker, the courts have relied rather on the procedure for terminating employment to hold that an employer can terminate the employment of a worker without giving any reasons. The procedure is that the employer must give

<sup>82</sup> op cit note 43.

<sup>83</sup> Labour Act 2003 (Act 65) at section 15.

appropriate notice or pay wages in lieu of notice.<sup>84</sup> However, the reason for termination must be based on the grounds stated in the Labour Act.

The first step in discarding the traditional notion that employment can be terminated without reason was mooted in the case of *Kobi v Ghana Manganese Co. Ltd*, <sup>85</sup> where Ansah JSC explained that:

'It was time the 'traditional rule' epitomized by *Aryee v State Construction Corporation* (supra), was re-considered because it had the potential of resulting in oppression by the employer and creating docility in the employee. With the fear of losing his job at anytime depending on the whims and caprice of his employer who may dismiss him at will, staring at him perpetually, the worker enjoyed no security of tenure. He would become a malleable tool in the hands of his master and do his bidding. However, his consolation was that a collective agreement may require that the employer could only terminate an employment; upon certain contingencies, namely, the employee being found guilty of an offence in a schedule of offences in the collective agreement; or the laws of the land or statute regulating employment in the land for the time being; or declared redundant under special conditions'.<sup>86</sup>

At the time of delivering this judgment, the Labour Act was in force. However, it does appear that the traditional rule was deeply ingrained in the mind of the court so much that the court failed to identify the changes introduced in Act 651. This really shows a defect in our judicial system as the judge failed to apply the law and also counsels equally failed to bring the court's attention to the current position of the law. Thus, a departure from the traditional approach ought to have occurred in the labour jurisprudence in Ghana more than a decade earlier.

Even so, it is contended that the position taken by the Supreme Court in the *Kobea v Tema Oil Refinery* (supra) cannot be the correct position of the labour law of

<sup>&</sup>lt;sup>84</sup> Ibid at section 17.

<sup>85 [2007-2008]</sup> SCGLR 771.

<sup>&</sup>lt;sup>86</sup> Ibid at pages 794-795.

Ghana at the time the decision was made. Indeed, the Labour Act had made serious incursions in the common law principle of employment at-will and such changes clearly eluded the learned justices and they held on rigidly to the outdated law. With the coming into force of the Labour Act in 2003, the employer is no longer legally entitled to terminate an employee's contract of employment whenever he wishes and for whatever reasons. It is argued that the employer rather required to satisfy the grounds of termination before meeting the procedure of termination which is by way of giving notice for a defined period before the termination takes effect or payment of salary in lieu of notice.

Indeed, the labour law recognizes mutual agreement between the employer and employee to terminate the employment at their own convenience. In that case, there was no need for either party to state the reason for terminating the employment for their own convenience provided they complied with the appropriate notice period. In *Bannerman-Menson vs. Ghana Employers'* Association<sup>87</sup>, the terms of employment of the parties stated that either party may terminate the relationship by giving six months' notice. The employer gave six months' notice of its intention to retire the appellant. The appellant was dissatisfied and sued subsequently. Aikins JSC explained the legal position in such contracts of mutual agreement as follows:

'... the appellant's conditions of service states that the contract was terminable by six months' notice on either side... the appellant could terminate the appointment by giving his employers six months' notice if he decided to, without giving any reasons. So were the respondents entitled to dispense with the appellant's services by giving him six months' notice. This conforms with equitable principles. The respondents exercised their right in giving the appellant six months' notice to retire from the services of the association.... The respondent owed no other obligation to the appellant. ...

<sup>&</sup>lt;sup>87</sup> [1996-97] SCGLR 417.

To me, it is of no consequence if the respondents gave as a reason for the termination of the appellant's employment the fact that he had reached the age of 60 years. What is important is the mutual agreement of the parties that the contract of employment could be determined by giving six months' notice of intention to do so. I think the appellant was labouring under a serious illusion in assuming that this appointment was terminated for reaching the retirement age at 60 years. The respondents were under no obligation to give him reasons for his termination.'88

A precursor to the departure from the traditional rule was initiated by the Ansah JSC in *Kobi v Ghana Manganese Co. Ltd* (supra). The learned jurist stated that,

'The passing of the new Labour Act, 2003 (Act 651), has brought relief to the employee, for now there are statutory duties and rights of the employer and the employee. The right to terminate employment does not depend on the whims of the employer. Sections 62-66 of the Act are sub-titled; "Fair and Unfair Termination of employment". And section 63 of the Act headed; "Unfair termination of employment" explains in its subsections (2)-(4) what constitutes unfair termination of employment. Thus, under section 63(4), a termination may be unfair if the employer fails to prove that the reason for termination is fair, or it was made in accordance with a fair procedure under the Act.' 89

About a decade and a half later, a complete departure from the traditional rule of termination of employment to absolute compliance with the reasons and grounds of termination of employment stated in the labour law and the collective bargaining agreements was boldly mooted in the recent case of *George Akpass vs. Ghana Commercial Bank ltd.* <sup>90</sup> The court explained that,

<sup>&</sup>lt;sup>88</sup> Ibid at pages 422-423.

<sup>89</sup> Kobi v Ghana Manganese Co Ltd [2007-2008] SCGLR 771 at page 794

<sup>&</sup>lt;sup>90</sup> [2021] DLSC10768 at p 18.

'Where the termination is not by mutual agreement and the employer is compelled to terminate on other grounds provided for in the contract of employment such as ill-treatment or sexual harassment, medically unfit for the employment or inability of the worker to perform his role due to sickness, disability, incompetence or lack of qualification for the position employed or other reasons which do not merit summary dismissal, then the protocol envisaged under Act 651 is that the reasons for the termination must be clearly stated and must be seen to be fair. This is because though the employer has the power by contract and law to terminate on those grounds, that power has been curtailed by statute and can no longer be exercised arbitrarily or capriciously. It must justifiably be substantively and procedurally seen to be fair.'91

In the opinion of Pwamang JSC, the learned jurist completely gave a lethal blow to the traditional rule of termination of employment when he stated that,

'On account of the provisions of Act 651 referred to by Ansah, JSC and the analysis I made above, my clear thinking is that, the Ghanaian cases that held that the employer has a right to terminate the employment of a worker for no reason and that there can be no specific performance of a contract of employment are no longer good law. The cases include Kobea v Tema Oil Refinery (supra), Lt. Col. Ashun v Accra Brewery Ltd. [2009] SCGLR 81 and Aryee v State Construction Corporation (supra).'

It is now settled that an employer must assign a justifiable reason for the termination of the employment of her worker. The traditional rule which empowered employers to terminate the contract of employment without reason is finally laid to rest. It is now unlawful to terminate employment without reason(s). This decision undoubtedly sighs relief to workers who were malleable and docile in the hands of their employers for fear of losing their jobs. The injustices suffered by employees under the traditional rule have given way to alms-length

<sup>&</sup>lt;sup>91</sup> Ibid at p 17.

employment relations, which by all indications shall render just and fair labour relations. Workers can assert their right to demand reasons for termination of their employment and may resort to the court for appropriate remedy.

#### **CONCLUSION**

This paper examined the history of employment relations and the employer's right to terminate the employment vis-à-vis the interest of the employee. Several theories have evolved to determine the severance of employment relations. These include the elective theory, the automatic theory, the Mutuality of Obligations Doctrine and Termination of Employment Contract theory, the employment-at-will theory and the statutory theory of termination of employment. The paper examined these theories and their application in Ghana, particularly the common theory of employment-at-will. It was observed that Ghanaian case law has been largely influenced by the employment-at-will theory with its underlying principle of master-servant relation in contracts of employment. The case law before and even after the passage of the Labour Act was extensively guided by the traditional rule, which encapsulates the employment-at-will and the master-servant relations. This rule empowered employers to terminate the employment of their employees without giving reason(s).

The overarching quest for human rights and dignity has compelled many civilized nations to regulate employment relations to reduce the overbearing power an employer wields in employment relations relative to the employee. Over the years, employment relations have shifted from relation of servitude to contractual relations with statutory implied terms. The ILO Termination of Employment Convention, enacted in 1982, set the international standard which member countries were required to incorporate in their national employment laws. The Labour Act 2003, (Act 651) was largely influenced by the provision in the ILO Convention on Termination of Employment despite the fact that Ghana has not yet ratified Convention 158. The Labour Act provided for the grounds of termination of employment tailored along the ILO Convention 158. Besides, the Act introduced a novel concept of fair and unfair termination of employment. A termination of employment is fair if the reason for termination is incompetence of

the worker, misconduct or insolvency. Notwithstanding these statutory incursions aimed at undoing the traditional rule of termination of employment, case law held on to the theory of employment-at-will and justified termination of employment without reason. The courts rather ensured that the procedural fairness of termination of employment characterized by an appropriate notice period or payment of salary in lieu of notice was strictly adhered to. What is even more stunning is the fact that the collective agreement negotiated between employers and labour unions contained provisions that entitle an employer to terminate the employment contract without reason except for complying with the notice period or payment of salary in lieu of notice. The Supreme Court has recently righted the judicial wrongs in the past in relation to termination of employment and laid to rest the traditional rule that employment can be terminated without reason. With this decision, Ghana has fallen in line with its counterparts in civilized countries that uphold the rights and dignity of workers in employment relations.

It is recommended that labour unions revisit the collective agreement entered into with their employers to amend the provision which empowers the employer to terminate an employment contract without giving any reason. The expositions in this paper should empower employees to assert their right against termination of contract without giving reason(s) in law. The proactiveness of the judges to tow along the new decision of the Supreme Court with regard to the requirement to give reasonable grounds for the termination of employment will definitely uphold the rights and dignity of Ghanaian workers.

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## *UCC Law Journal. Volume 3 Issue 2, Feb., 2024, pp.43-72* DOI: 10.47963/ucclj.v3i2.1359

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