COFTU's GUIDE TO WORKPLACE TRANSFERS IN UGANDA: RIGHTS, RULES, AND REALITIES

1. Introduction

In the dynamic landscape of the modern workplace, the redeployment or transfer of an employee is a daily reality. However, disputes frequently arise when transfers are improperly utilised to sideline workers, or when employees inadvertently risk dismissal by resisting lawful transfers due to a misunderstanding of their legal obligations.

The primary legal framework governing employment contracts in Uganda i.e. the **Employment Act, Cap. 226** does not explicitly mention or regulate the "transfer" of employees. To fill this statutory silence, the Industrial Court has established robust jurisprudence, which has now been heavily fortified by the sweeping protections of the **Employment (Amendment) Act, 2025**. There also exist internal employer policies and Human Resource Manuals at various work places.

As the premier voice of Ugandan workers, COFTU presents this definitive, easy-to-read guide highlighting the scope of the employer's power and where a worker's rights begin.

2. Defining "Transfer of Contracts"

The **Employment Act Cap 226** does not explicitly define transfer of contracts. As a result, we rely on established case law. In the landmark Industrial Court ruling of ***Gidaga Charles v. National Insurance Corporation Holdings Limited Labour Dispute Reference No. 98/2018*** the Court adopted the definition from persuasive international jurisprudence in **Tinio v CA SMART Communications, Inc. G.R No.171764, 08 June 2007** as *"A transfer is a movement of an employee from one position to another which is of equivalent rank, level, or salary without a break in service."*

Thus, a transfer is a change in deployment. It is **not** a demotion, it is **not** a pay cut, and it is **not** an interruption of your continuous employment.

3. Manifestations of Labour Transfer

Labour transfers generally manifest in two distinct scenarios. The law treats each with its own strict procedural rules.

Scenario A: Internal Redeployment

This happens where your current employer decides to move you to a different desk, or department

Legally, employers have the "managerial prerogative" i.e. discretion to transfer its employees to positions he or she believes they would serve his or her maximum benefit subject to the confines of the law.

The ***Gidaga*** **ca**se cited above, established that a transfer must pass the **test of reasonableness**. It must not involve a (i) demotion, (ii) pay cut, (iii) be arbitrary, or be harmful to the employee's health. Thus, it cannot be used as a tactic to rid the company of a worker.

For the transfer to pass the reasonableness test, it must meet the following procedural requirements: -

1. A written transfer order outlining the new role.
2. Adequate notice to allow sufficient time for a hand over e.g., the *Gidaga* case noted that 2 days was insufficient when the Human Resource manual suggested 5 to 7 days.
3. **Consultation** i.e. employer to *notify* the employee so they can prepare to move, but does **not** mean seeking the employee's consent.

Scenario B: External Transfers

This manifests where the business entity you work for is sold, merges with another, or changes ownership, which subsequently affects your employment contract.

This is governed by **Section 27** of the Employment Act Cap. 226. The industrial court has clarified in the ***Rashid Nyende v. Shoprite*** **Labour Dispute Reference NO. 179 OF 2021**, the **three essential ingredients** of a lawful transfer of a business:-

a. the employee's consent,
b. an automatic transfer, and
c. continuous employment.

In other words, in the case of an intended transfer of business, the employer obtains consent of the employee to transfer their employment, and when the business is transferred, all employees employed at the date of transfer are automatically transferred with all their rights and obligations and the employment is considered continuous.

Also, a clear distinction should be made between transfer of contracts and cessation of operations by employer. A transfer of the business does not involve termination of the former employees. On the other hand, where the operations of the employer cease and it terminates its employees, that amounts to redundancy.

4. Obligations of the Employee

If you receive an internal transfer order that is lawful i.e. it preserves your rank, maintains your salary, and is not a disguised punishment you have a strict legal duty to obey**.**

This has been emphasised by the Industrial Court in **Atanasius Kakwemire v National Medical Stores LDR NO.001 of 2022** that "the employer is the boss." It is an implied term of every employment contract that an employee must obey lawful orders. The only time you can lawfully refuse a transfer is if the instruction is fundamentally illegal, forces a demotion, or puts your life in imminent danger.

5. What happens when an Employee disobeys a transfer

The position of the law is that where the employee refuses to do the work given to him or her by the employer in a lawful transfer, so long as it is not prejudicial to the employee, that amounts to wilful defiance and gross insubordination.

In the ***Gidaga Charles v. National Insurance Corporation Holdings Limited Labour Dispute Reference No. 98/2018,*** the employee refused the transfer demanding a 60% pay raise, and stayed home claiming sickness, it was held that such an act would amount to Court condoning the disobedience of employees and, in so doing, promote workplace disharmony and chaos.

Under the **Employment (Amendment) Act, 2025**, the consequences are severe, for example under **Section 64A (1)** An employer can now formally dismiss you for "abscondment from duty" where an employee absents themselves for over 30 days without permission or for conduct having an adverse effect on the business.

By refusing a lawful transfer, you forfeit your right to claim unfair termination. You are not "terminated"; you are "dismissed" for misconduct.

Even if an employee is guilty of insubordination, the employer must pursuant to **Section 65** of the **Employment (Amendment) Act, 2025**, give the worker **five (5) working days** to prepare a defense and must hold a fair hearing. In ***Gidaga*** *case above*, the employer's failure to hold a proper hearing resulted in them paying a penalty of 4 weeks' wages to the dismissed worker.

6. COFTU's Advice on:

a. Employers

- **Exercise Fair Managerial Prerogative.** Managerial prerogative is a right, but it must ensure procedural and substantive fairness i.e. the transfer must remain strictly within the scope of the original employment contract, keeping the employee in the same job classification, salary range, and terms of service, even if their department or physical location changes. Ultimately, an employer cannot use a transfer to unilaterally alter a contract to a worker's disadvantage, meaning it cannot result in a demotion, a reduction in pay or benefits, or any harm to the employee's health.
- Provide adequate notice. While consent isn't strictly required, abrupt transfers damage morale. Give reasonable notice and provide a clear, objective operational rationale for the move.
- Never use transfers as a disguised disciplinary tool or a tactic to force an employee to resign.
- Consider internal employer policies and Human Resource Manuals before transfer contracts of employees.
- If an employee disobeys a transfer, you must follow the strict 5-day hearing procedure under **Section 65** of the Employment (Amendment) Act, 2025 before dismissing them.

b. Employees

- Do not abscond i.e. refrain from simply walking off the job.
- Comply under protest i.e. If you believe a transfer is unfair, report to your new station, but immediately file a formal, written grievance to Management and copy your Union Representative. As established in the ***Kakwemeire*** case above, working "under protest" preserves your legal right to challenge the employer.

- If the transfer cuts your pay or demotes you, it constitutes "Unfair Dismissal" under **Section 65A**. Thus, lodge a formal grievance detailing exactly how the transfer violates the core tenets of your employment contract.

7. Conclusion

The law strikes a brilliant but delicate balance. Employers retain the broad prerogative to deploy labour to maintain the heartbeat of the enterprise. However, this power must be exercised in good faith, with procedural fairness, and without prejudicing the worker.

For God and For Workers

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