BLOGS

Workman under The Industrial Disputes Act, 1947

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Introduction

The Industrial Disputes Act, 1947, is a core piece of social law in India. Its main goal is to prevent conflicts between employers and labour and ensure disputes are resolved peacefully. The law aims to protect workers from exploitation. The most vital term in this protective system is the definition of the **"workman"** found in Section 2(s). This term acts as the legal gateway: if a person is classified as a "workman," they gain access to crucial legal remedies, such as the right to take a dispute to a Labour Court if their termination was unfair. Because the economy changes quickly, the judiciary has constantly had to interpret and adapt this legal definition through judicial decisions.

Statutory Definition

The determination of who is a "workman" starts with the specific text of the law. Section 2(s) of the Industrial Disputes Act, 1947, provides the required definition.

A "workman" *means any person (including an apprentice) employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of employment be express or implied, and for the purposes of any proceeding under this Act in relation to an industrial dispute, includes any such person who has been dismissed, discharged or retrenched in connection with, or as a consequence of,...".* The fundamental requirement is the existence of an employer-employee (master-servant) relationship.

The Exclusions

The law explicitly excludes four types of individuals from being considered a workman:

1. Uniformed Services: Persons subject to the Army, Air Force, or Navy Acts, or those employed in the police or prison services.

2. Senior Management: Persons employed mainly in a managerial or administrative capacity.
3. Supervisors (High-Wage): Persons employed in a supervisory role who either “draws wages exceeding ten thousand rupees per mensem or” exercise functions mainly of a managerial nature.

This financial ceiling was initially much lower (Rs. 500) and has been raised repeatedly—most notably to Rs. 1,600 in 1984—to ensure that low-to-mid-level supervisors remain protected by the Act despite inflation.

Defining Managerial and Administrative Capacity

The judicial analysis of the exclusion for managers focuses on their functional authority. In the 2023 ruling of ***M/S Bharti Airtel Limited v. A. S. Raghavendra***, the Supreme Court clarified that a high-ranking employee performing managerial duties is excluded from ‘workman’ status. Critically, the Court held that a person does **not** gain workman status simply because they lack the specific formal power to hire, dismiss, or conduct disciplinary inquiries. Instead, the court assesses the functional role, organizational hierarchy, and overall policy responsibility to determine the managerial character of the employment.

Defining Contract Labour and Sham Employment

Courts have also dealt with situations where employers use contract labor to avoid legal obligations. The judiciary has focused on preventing “sham contracts”—fraudulent arrangements designed to evade the protective law. The Supreme Court, in ***Steel Authority of India Limited v. National Union Water Front Workers*** (2001), clarified that if a government order bans contract labour in an establishment, the principal employer f required to absorb those contract workers into permanent jobs. The general rule is that the Industrial Disputes Act, 1947, applies between the contract worker and their direct employer (the contractor), unless the contractor is proven to be a dummy for the main company.

Judicial Developments

The judiciary has played a crucial role by creating and applying several tests to look past job titles and determine an employee’s true status, resolving significant conflicts along the way.

1. The Dominant Nature Test

When a person performs a mix of duties (e.g., technical work and some supervision), courts use the **Dominant Nature Test**. This test looks for the "real," "main," or "substantial" work done by the employee. If the primary function is technical or clerical, incidental supervisory duties do not cause the employee to lose their protected workman status. If the core duty is supervision, the employee is excluded. [Bangalore Water Supply and Sewerage Board v. A. Rajappa and Ors. (AIR 1978 SC 548)]

1. The Sandoz Rule

Historically, the Supreme Court had conflicting views on how restrictive the definition should be:

1. The Exclusionary Test (Liberal View):This view, seen in cases like K. Verma v. Mahesh Chandra, argued that any person who was not explicitly excluded by the four statutory exceptions (military, managerial, etc.) should be treated as a workman.
2. The Four Categories Test (Strict View):This test, seen in cases like May & Baker (India) Ltd. v. Workmen, argued that a person must fit into one of the specific work types listed (manual, technical, supervisory, or clerical) and must not be excluded.

The conflict was resolved by the Constitution Bench in the landmark case of ***H.R. Adyanthaya v. Sandoz (India) Ltd.*** (1994). The Bench upheld the **Four Categories Test**. This decision confirmed that specialized employees whose main work is sales promotion (like medical representatives) are generally not workmen because sales promotion is a job type distinct from those explicitly listed in the Industrial Disputes Act, 1947.

Challenges and the Future Framework

Despite judicial efforts to keep the law relevant, the rigid definitions of the Industrial Disputes Act, 1947, struggle with new labour models. Highly specialized professionals, such as scientists and engineers engaged in creative research, are often excluded from the definition of "workman." Their work involves independent judgment and imaginative intellectual output, which courts deem different from the standardized "skilled" or "technical" work covered by the Act.

App-based platform workers (gig workers) are typically classified as 'independent contractors' by companies, which means they are denied 'workman' status and social security benefits. In the ongoing case of ***Indian Federation of App Based Transport Workers (IFAT) v. Union of India***, workers are fighting for recognition as 'unorganised workers' under the Unorganised

Workers' Social Security Act, 2008. This is a strategic move to access benefits without requiring the court to forcibly fit them into the restrictive 1947 definition of a workman.

The Industrial Disputes Act, 1947, is set to be replaced by the Industrial Relations Code, 2020. The new Code will replace 'workman' with the term 'worker' and proposes to raise the wage exclusion limit for supervisors to Rs. 18,000 per month. While this slightly broadens protection, judicial interpretation will remain essential for applying labour protection to complex modern jobs.