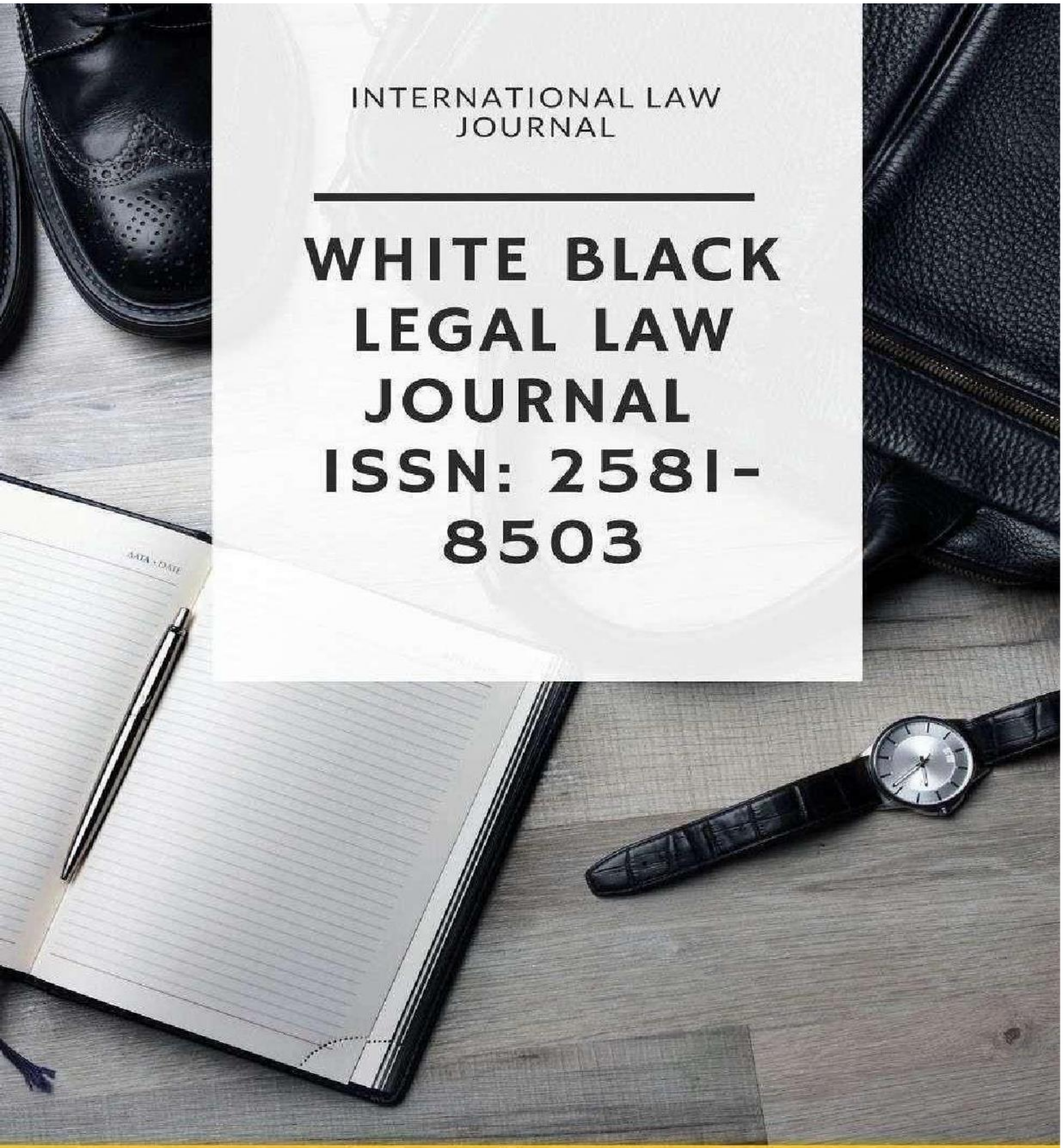

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ALGORITHMIC TERMINATION AND THE ABSENCE OF NATURAL JUSTICE IN INDIAN LABOUR LAW

AUTHORED BY - KASHISH MAMANI & SHREYANSHI RAWAT

Abstract

The expansion of algorithmic management systems in India's platform economy represents a fundamental shift in workplace governance. Unlike earlier managerial approaches grounded in identifiable hierarchies and managerial discretion, algorithmic management includes control within digital infrastructure which organizes workers, customers, and suppliers as "users" in a data-driven system. Within this framework, algorithmic termination via automated deactivation which can be triggered by ratings, performance metrics, or predictive risk assessment has emerged as a central mechanism of arbitrary control, reshaping access to livelihood without visible managerial intervention. This leads to misdirecting responsibility and undermining the safeguards of natural justice principles along with constitutional provisions under Article 14 and 21.

To expose this regulatory gap, the paper proposes enforceable procedural safeguards and develops a comparative analysis with Competition Act, 2002 where algorithmic pricing and power are treated as legally relevant expressions of economic power whereas, Labour law, continues to characterise algorithmic termination as contractual rather than regulating it.

Keywords: Algorithmic Management system, Algorithmic Termination, Labour Law, platform workers/ gig workers, Competition law and digital markets, Natural justice principles.

INTRODUCTION

Approaches to management do not vanish with the passage of history but coexist across various economic ages. The organisation of labour has historically reflected prevailing models of managerial control. The early industrial production was structured around scientific management, associated with Frederick Winslow Taylor, which was based on measurement, standardisation and a definite chain of command for supervision. In this style of management work was distributed among various discrete tasks, monitored through time motion studies to ensure efficiency, and regulated via vertical chain of command for strict supervision.[1]

As economies transitioned toward knowledge intensive & skill based service sectors, many firms adopted collaborative or post-bureaucratic style of management which was the product of post- industrialization. This focused on coordinating specialized professionals to foster innovation rather than strictly discipline manual labour. The style of management became less hierarchical and more coordinated & facilitative in character as managers structured environments for cooperation, flexibility and expertise driven decision making.[2]

In contrast, the rise of algorithmic management heralds a more profound transformation: the governance of the workplace is subsumed into Algorithmic Management Systems that depend on large-scale data collection and machine learning algorithms. There is complete automation of many managerial tasks such as recruitment, assignment, performance assessment, and punishment which are increasingly carried out by data-driven systems rather than traceable human decision- makers.[3] In the fast-paced platform economy in India, this shift in the managerial style is apparent in the gig and platform sector. The most extreme form of inclusion of Algorithmic management systems in the platform sector is algorithmic termination, suspension, deactivation, or firing based on rating thresholds, productivity measures, automated misconduct indicators, or internal metrics.

The arbitrary workers expulsion from digital platforms via automated systems is often without notice, reason, or a fair hearing. “Though new labour codes which are in action acknowledge gig and platform workers primarily through welfare and social security codes, they say nothing about algorithmic decision-making when it comes to issues that impact workers livelihood.” In contrast, Competition law addresses issues such as algorithmic pricing which can lead to anti-competition collusions in the markets but labour markets are still not regulated to protect workers from arbitrary terminations.

[1] Singh Vaivaw Kumar and Gupta Rishika, ‘From Taylorism to Algorithmic Management: How Technological Evolution Reshapes Foundational Management Principles’ (2025) 14(8) International Journal of Latest Technology in Engineering, Management & Applied Science <https://doi.org/10.51583/IJLTEMAS.2025.1408000206 >accessed 8 February 2026.

[2] David Stark and Pieter Vanden Broeck, ‘Principles of Algorithmic Management’ (2024) 5 Annual Review of Sociology.

[3] Rosenblat, Alex, and Luke Stark. 2016. "Algorithmic Labor and Information Asymmetries: A Case Study of Uber's Drivers." 10 International Journal of Communication 27 <https://ijoc.org/index.php/ijoc/article/view/4892/1739 >accessed 7 February 2026.

In an effort to show how algorithmic management systems differ structurally from traditional managerial models by replacing recognisable human discretion, this paper first places algorithmic management within the historical evolution of workplace governance. Subsequently, it considers algorithmic termination as a separate procedural harm and looks at how automated dismissal and deactivation go against recognised natural justice theories. In order to demonstrate that these protections require responsible human authority, the analysis proceeds on to examine the doctrinal underpinnings of audi alteram partem, reasoned decision-making, and non-arbitrariness under Articles 14 and 21. The study then highlights the Labour Codes' statutory gaps, emphasising their lack of discussion of human review, transparency, and explanation in situations involving automated exclusion. It subsequently develops normative conclusions for labour governance by contrasting this regulatory inertia with competition law's more nuanced engagement with algorithmic power. The paper concludes by arguing for enforceable procedural safeguards capable of restoring accountability in algorithmic workplaces. Can labour law continue to regulate employment as though managerial authority is still human if termination can now be carried out by code rather than conscious decision?

ALGORITHMIC MANAGEMENT AND THE TRANSFORMATION OF MANAGERIAL AUTHORITY

Methods of management do not disappear with history but remain by coexisting. Various types of management, such as scientific, collaborative, and algorithmic management, appear in different economic epochs, and nowadays, most firms combine all three. For example, a firm can apply standardized labour control in its warehouses, collaborative management in research, and algorithmic management on digital platforms.[4] These types of management therefore work cumulatively rather than in sequence.

The foundations of scientific management are associated with Frederick Winslow Taylor. His approach was about supervising labour through measurement, standardization, and setting clear chain of command. The major concern of this style of management was to regulate capital labour relationship. Accountability was vertically managed as authority flowed from employer to worker. Whereas, in collaborative or post-bureaucratic management which

[4] David Stark and Pieter Vanden Broeck, 'Principles of Algorithmic Management' (2024) 5 *Annual Review of Sociology* 7.

focuses more on coordinating specialists than labour. Managers focused more on cooperation while minimizing excess supervision which can hinder innovation.[5]

The emergence of Algorithmic management introduces a more fundamental shift where instead of organizing workers as employees or specialists within clear chain of command, it considers participants such as gig workers, professionals, customers and suppliers as "users" of a digital system. The technological infrastructure of these algorithmic platforms is embedded with governance in the form of Algorithmic Management Systems. These Algorithmic practices co-opt those who engage with the system and by using the platform these individuals become integrated into its regulatory mechanisms.[6]

"Algorithmic management can be broadly understood as a human resource management technique that uses data-driven algorithms to make automated or semi-automated decisions in the workplace." Its complexity may vary, but typically such systems rely on extensive workplace data collection and sophisticated artificial intelligence techniques, including machine learning. There are three distinct applications of algorithmic management:[7]

Gig platform workers: Currently, gig platform workers are managed almost entirely through algorithmic systems embedded in applications such as Uber and Ola. Through the app, functions such as job assignment, pay rate determination, payment allocation, and termination are executed digitally.[8]

Hiring algorithms: These systems assist in automated or semi-automated decision-making during recruitment. They use input data from sources such as candidates' resumes, social media profiles, and digital footprints to evaluate and shortlist applicants. One example is Infor Talent Management, which uses 24 behavioural characteristics to create a data-driven predictive model that can "identify the best candidates".

Performance and Productivity Algorithms: In this context, algorithmic management is used to assess employee performance and productivity. After analysing collected data, the system

[5] Barker R James, 'Tightening the Iron Cage: Concertive Control in Self-Managing Teams' (1993) 38(3) *Administrative Science Quarterly* 408.
[6] David Stark and Ivana Pais, 'Algorithmic Management in the Platform Economy' (2020) 14(3) *Sociologica* 47.
[7] William McKenzie, 'The Legal Challenges of Algorithmic Management in the Workplace' (2022) 45(2) *Melbourne University Law Review* 512.
[8] Charlotte S Alexander and Elizabeth Tippett, 'The Hacking of Employment Law' (2017) 82(4) *Missouri Law Review* 974, 1003–13.

generates evaluations that employers may rely upon to influence decisions such as promotion, demotion, shift allocation, or even dismissal.

The normative logic of algorithmic management differs from earlier models. Scientific management operated through standardization, and collaborative management through diversification.[9] Algorithmic systems operate through synthesis: they aggregate data, classify behaviour, and dynamically reorganize patterns. Contemporary machine learning models do not merely execute fixed instructions but adapt through continuous data processing.[10] This adaptive quality challenges the view that algorithmic systems are neutral tools simply carrying out pre-programmed decisions.

One of the elements of Algorithmic management is Immediacy. This means that algorithmic governance is dynamic, positing a kind of structural urgency, or impatience, from the perspective of the user. There is immediately in decision-making, though this is, it has to be said, largely from the rhetoric of efficiency, and in a sense, it reconfigures the question of accountability.

In hierarchical systems, responsibility is traceable up a chain of command. In collaborative settings, accountability operates laterally within networks. Algorithmic management disrupts both. Researchers have also proposed the idea of a triangular form, where the platform operator is at the top, and the users and the providers meet at the base. Rating systems are a good example of the same. While customers rate the workers at a platform such as eBay or Talkspace, they impact the ratings and the ability of the workers to work. However, they are not entrusted with the responsibility, but the platform uses the same feedback loop in its favour. The platform benefits from outcomes generated by user ratings while distancing it from the individual acts producing them. This diffusion complicates legal doctrines traditionally centred on identifiable decision-makers and produces accountability that is distributed and deflected.[11]Studies have shown that gig and platform workers generally depend on platforms for most of their income, and losing access to the platform or other

[9] David Stark and Pieter Vanden Broeck, 'Principles of Algorithmic Management' (2024) 5 *Annual Review of Sociology* 1–24.

[10] E. Alonso, 'AI and Agents' in K. Frankish and William M Ramsey (eds), *The Cambridge Handbook of Artificial Intelligence* (Cambridge University Press 2014) 232.

[11] L D Cameron and H Rahman, 'Expanding the Locus of Resistance: Understanding the Co-Constitution of Control and Resistance in the Gig Economy' (2021) 33(1) *Organization Science* 38.

digital intermediary is comparable to termination from employment.[12] The implications of this structure become most visible in termination. Under scientific or collaborative management, dismissal was attributable to identifiable authorities capable of explanation. Under algorithmic management systems, continued exclusion from work often results from automated thresholds, rating averages, or predictive risk scores. Deactivation may occur once metrics fall below platform-defined standards. Because these decisions are embedded in system architecture, termination appears as a technical result rather than a managerial choice.

This analysis carries serious normative consequences. Immediacy reduces space for deliberation, notice, and hearing. Workers may be removed without clarity regarding the criteria applied or the data relied upon. The absence of transparent reasoning and meaningful opportunity to contest adverse action undermines procedural fairness. Although presented as objective and data-driven, algorithmic termination effectively replicates dismissal or retrenchment while obscuring responsibility. By combining automated decision-making with diffused accountability, algorithmic management creates a structure in which exclusion from livelihood can occur without identifiable authority or procedural safeguards, raising profound concerns for labour law systems committed to fairness and the right to be heard.

ALGORITHMIC TERMINATION AS A PROCEDURAL HARM

In India's growing platform economy, gig workers are frequently removed from digital platforms without any prior warning, notification or chance to explain one’s stance. This arbitrary removal is known as algorithmic termination. For many of these workers, these important decisions on which their livelihood is dependant are not made by a supervisor or human manager but by Algorithmic Management Systems i.e. AMS which track ratings, cancellations and customer feedback and greatly affect their earnings.

A report on Uber drivers in Europe explains this problem clearly where drivers have claimed that Uber's automated systems permanently cancelled their accounts for alleged rule violations, with no prior warning, reasons or recourse to any mechanism. In many cases,

[12] Risha Chitlangia, ‘85% of Platform-Based Gig Workers Put in 8 Hrs Daily but Don’t Get Basic Social Security: NGO Survey’ *The Print* (New Delhi, 7 March 2024)< https://theprint.in/india/85-of-platform-based-gig-workers-put-in-8-hrs-daily-but-dont-get-basic-social-security-ngo-survey/1992201/ >accessed 10 February 2026.

affected employees were unable to successfully approach any authority or recourse, leaving them without salary and with no knowledge of the alleged cause for their deactivation.[13]

These concerns are not just confined to Europe; reports from India shows that gig workers have expressed similar worries where drivers claim they were instantly terminated/dismissed from using Ola or Uber apps for unknown reasons, only to realize later that they had violated some rule or criteria. Many of them experienced days of disorientation and frequently seek assistance without first receiving a clear explanation of why they were removed.[14] "Trade unions such as the Indian Federation of App-Based Transport Workers (IFAT) have joined global campaigns against such unfair deactivations or dismissals as they are arbitrary removals that lack "just cause" and reasonable opportunity to be heard according to Natural Justice principles."[15]

All these accounts suggests a common pattern that these platform algorithms are not merely organizing workflows but also deciding who gets to work at all. Unlike traditional employer-led termination, which generally involves human judgment and procedural safeguards, AMS-based dismissals depend on quantitative metrics assessed without clear criteria provided to workers.[16]

Algorithmic Termination Mechanisms-

1. App Deactivation:

Workers can be instantly removed from platforms when their account is flagged by the automated system which cuts off their access to job opportunities and earnings. There are many instances where drivers or workers have reported being "kicked off the app" without prior warning or explanation.

2. Rating Thresholds:

[13] Aarian Marshall, 'Uber Fired by Algorithm' *Wired*< https://www.wired.com/story/uber-fired-algorithm/>accessed 10 February 2026.
[14] Ibid.
[15] 'Gig Workers Launch Global Campaign Against Unfair Deactivation Practices' *Medianama* https://www.medianama.com/2023/01/223-gig-workers-global-campaign-unfair-deactivation-practices-termination/ accessed 10 February 2026.
[16] 'Algorithms and Gig Workers in India: New Study' *Medianama*< https://www.medianama.com/2025/12/223-algorithms-gig-workers-india-new-study/ >accessed 10 February 2026.

Most platforms use customer or rating averages as performance metrics. If a worker's rating is below a systemic threshold, the algorithm automatically deactivates there accounts. Workers often receive generic notices attributing deactivation to suggested guideline violations, without specific performance data.[17]

3. Productivity Scores:

Many of the workers' continued access to these platform work depends on their internal score in Automated productivity assessments, and these scores can be greatly impacted by acceptance rates or delivery speed metrics which can also lower a worker's internal score.

4. Automated Misconduct Flags:

Automated systems may assign flags based on unusual patterns or customer complaints, which algorithms interpret as misconduct. Algorithms may generate such flags without human validation, leading to sudden deactivations.

These arbitrary algorithmic dismissals are more than just contractual outcomes and accounts are regularly deactivated without warning for performance deficiencies or alleged violations. No Chance to Be Heard: Because automated decisions are final and opaque, employees have little or no meaningful opportunity to present their case before being deactivated. "For ex-Various researches have revealed that AI algorithms, when trained using biased data sets, can discriminate against particular demographics. Amazon has increasingly been relying on AI to track the productivity of warehouse employees. The corporation implemented an automatic tracking system called Time Off Task (TOT), which tracks workers in real-time. The system identifies employees who are taking too much time off or who are not delivering high productivity, resulting in automatic warnings or firing. In 2021, it was reported that Amazon had let go of hundreds of employees on the basis of AI-created performance metrics, sometimes without human review."[18]

In many instances the termination/deactivation notifications lack reasons explaining why the actual decision was taken. Deactivation notifications rarely include specific grounds,

[17] 'Why Gig Platform Wage Theft is a Governance Crisis' *Tech Policy Press*< https://www.techpolicy.press/why-gig-platform-wage-theft-is-a-governance-crisis/ >accessed 10 February 2026.

[18] 'Reshaping Labour Laws in the Age of Automation' *Vintage Legal* https://www.vintagelegalvl.com/post/reshaping-labour-laws-in-the-age-of-automation accessed 10 February 2026.

rationales or statistics to support the algorithm's biased or overt step, leaving employees unable to explain or defend themselves before termination. The grievance mechanisms vary widely amongst platforms and are usually unresponsive to the needs of workers in distress. The appeal rights against these AMS automated dismissals are either non-existent or ineffective in practice. The recent study by United Nations University stated that algorithmic management system's efficiency and objectivity can obscure serious threats to workers' rights and protections, particularly when used to make or trigger major employment decisions. The real-time optimization by AMS can recreate systemic inequality and undermine procedural fairness.[19] Unlike traditional termination, where a human manager issues a reasoned decision with a fair opportunity to be heard, algorithmic terminations often occur as a technical consequence of the opaque software. This helps platforms to evade accountability where they may characterise deactivation as an automatic consequence of "systemic rules" rather than a labour-affecting managerial act.[20]

Ultimately, algorithmic termination converts loss of livelihood into a mechanistic outcome devoid of due process. Workers who are dependent on platforms for their livelihood and earnings face sudden income loss, psychological stress, and economic insecurity because digital systems dismiss/terminate without transparency, justification or equal chance to be heard. These outcomes raise fundamental questions about fairness, power imbalance, and the inadequacy of existing laws to protect workers from opaque & AMS-induced dismissals.

NATURAL JUSTICE IN INDIAN LABOUR LAW: A HUMAN-CENTRIC FRAMEWORK

Natural justice is understood as set of uncodified principles, the obedience of which leads to unbiased and fair decision making.[21] Labour codes in India are based on the assumption of decisions regarding termination; retrenchment and removal are being considered by human agents.[22] It is based on the supposition of natural justice principles in decisions regarding livelihood of people. One of the principles is *audi altrum partum* which has been upheld by the Supreme Court as an integral aspect of natural justice and a basic foundation of Article 14

[19] 'Invisible Colleague: Balancing Algorithmic Management and Workers' Rights' *United Nations University* https://unu.edu/article/invisible-colleague-balancing-algorithmic-management-workers-rights accessed 8 February 2026.
[20] Ibid n 17.
[21] Maheshwari, P. , 'Natural Justice in Departmental Inquiry' [2020] SSRN Electronic Journal https://doi.org/10.2139/ssrn.3620940 accessed 2 February 2026.
[22] Industrial Relations Code 2020, ss 42–51.

and 21.[23] This right to be heard would be applicable to decision making whether administrative, judicial, or quasi-judicial.[24] The opportunity to be heard has been recognized as one of the essential participatory safeguards before adverse actions affecting an individual's life such as employment related disputes.[25] Algorithmic decision making operates through non-transparent, data based models that provide no opportunity of being heard to defend the inputs, inferences, or minimum requirements before the decision is made. This kind of decision making disregards the participatory hearing that the principle of audi alteram partum presumes a human decision maker can provide keeping in mind the sense of justice and fair play.

The second principle of natural justice is that decisions/outcomes must be backed by rational reasons. Indian jurisprudence embeds fairness, reasonableness and equity into decision making procedures, where reasoned orders act as a check on arbitrary exercise of powers.[26] This principle also forms the basis guarantee of equal treatment guaranteed by Article 14 doctrine of non-arbitrariness[27] and Article 21 requisite of fair procedure. Decisions made by algorithms lack the ability of making reasoned decisions as their decisions may solely be proprietary, technical and statistical, rather than normative. This defeats the expectation that worker can challenge termination or provide reasons for his acts, and those can be tested by the appropriate authority.

The jurisprudence around Article 14 has over the time evolved the doctrine of non-arbitrariness, which posits reasoned decisions as one of the major tenets, thus, upholding the principles of natural justice.[28] Since, the principles of natural justice are uncodified, these precedent based doctrines function as basis for fairness in decision making process across authorities.[29] Thus, procedural fairness is a ground and standard of review. Algorithmic decision making veils arbitrariness behind statistical opacity biased training models,

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[23] Singh, A. , 'Natural Justice and its Applicability to Alternate Dispute Resolution' [2022] Asian International Arbitration Journal https://doi.org/10.54648/aiaj2022003 accessed 5 February 2026.
[24] A K Kraipak v Union of India AIR 1970 SC 150.
[25] DK Yadav v JMA Industries Ltd 1993 SCR (3) 930.,
[26] Thakur, R. , 'Arbitral Proceedings and Principles of Natural Justice' [2011] SSRN Electronic Journal https://doi.org/10.2139/ssrn.1955451 accessed on 7 February 2026.
[27] Siddharth R. Gupta and Kerti Sharma, Article 14 and Arbitrariness vis-à-vis Legislative Action (SCC OnLine, 2021) https://www.scconline.com/blog/post/2021/10/11/article-14-and-arbitrariness-vis-a-vis-legislative-action/ accessed on 2 February 2026.
[28] https://vidhilegalpolicy.in/wp-content/uploads/2019/05/Shankar_Article_NLUD.pdf
[29] Iqbal, S. , 'The Principle of Natural Justice in Administrative Law' [2025] International Journal of Law and Policy. https://doi.org/10.59022/ijlp.368 accessed 3 February 2026.

inflexible standards that may not account for individual circumstances. The existing laws and doctrines are designed to check human discretion and not machine made complex decisions.

Labour law also integrates these general principles into the provisions regarding disciplinary proceedings and safeguards.[30] Recent research on labour law also mandates that an inquiry or hearing before dismissal, issue notices, afford an opportunity to be heard by an unbiased decision maker.[31] International norms also posit that a mere valid reason is insufficient and procedural fairness is vital.[32]

Reviews of dismissals are being done by judicial as well as quasi-judicial bodies that assess substantive and procedural fairness and may overrule unjust termination and order reinstatement.[33] Scholars argue that analogy from administrative law can be drawn into labour law, specifically the application of natural justice principles and protect employees from unjust dismissal.[34] The framework of labour law presupposes a human decision maker who can respond to differing conditions, mitigating circumstances, decide intelligibility of reasons and weigh explanations. Algorithmic decision making in Indian platform work showcases how the presupposition is defeated, non-transparent rating systems and automatized cut offs are used as veil for termination and excluding worker participation. In consequence, it creates a governance and legislative vacuum where great decisions affecting livelihood escape traditional matrix of human accountability and natural justice in Indian Labour law.

THE REGULATORY VACUUM: ALGORITHMIC TERMINATION UNDER INDIAN LABOUR LAW

The safeguards and procedures outlined in the new labour codes are based on the assumption of human employer-employee relation exercising discretion through recognisable human

[30] Industrial Relations Code 2020, ss 28-30, ch X.

[31] Rajapakse, R., Seneviratne, P., & Seneviratne, P. , 'Application of Natural Justice Principles in Workplace Discipline: The Need for Legal Reform in Sri Lanka' [2023] SLIIT Journal of Humanities and Sciences. https://doi.org/10.4038/sjhs.v4i1.63 accessed 6 February 2026.

[32] Rajapakse, R., Seneviratne, P., & Seneviratne, P. , 'Domestic Inquiry and the Principles of Natural Justice: A Critical Analysis of the Labour Law Regime of Sri Lanka' [2023] PROCEEDINGS OF THE SLIIT INTERNATIONAL CONFERENCE ON ADVANCEMENTS IN SCIENCES AND HUMANITIES [SICASH]. https://doi.org/10.54389/twog5215 accessed 8 February 2026.

[33] Belkadi, N. , 'Authorities of the Social Judge in Resolving Disputes Arising from the Termination of Employment Relations' [2024] Journal of Law, Society and Authority. https://doi.org/10.52919/lsa.v13i1.236 accessed 5 February 2026.

[34] Maheshwari, P. , 'Natural Justice in Departmental Inquiry' [2020] SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3620940 accessed 1 February 2026.

actors.[35] This framework presupposes decision making to be done by human actors capable of understanding intent, explanation and accountability in matters relating to discipline, suspension and termination. This assumption is dismantled due to increasing algorithmic decision making.[36] Termination decisions are now executed through opaque data-based systems that analyse ratings, acceptance rates, location data, and behavioural proxies, often without human accountability. Labour Codes in India fail to respond to this change, creating a legislative vacuum in which algorithmic decision making operates with legal chasm.

The new labour codes enacted in 2020, recognize the labour categories of "gig workers"[37] and "platform workers"[38], but they deal with these categories only at surface level through social security and welfare contributions, instead of focusing on rights, remedies and procedural safeguards.[39] The Code on Social Security, 2020, provides for devising welfare schemes but does not provide any safeguard for unfair termination, suspension or deactivation by digital platforms.

This signs towards a structural gap in the laws, as Indian Labour Codes impose no duty on platforms to describe algorithmic decisions affecting the work allocation, ratings, penalties or deactivation.[40] There is a blatant violation of principles of natural justice in such cases as there is no legal requirement to serve notices marking reasons for automated deactivation. Thus, "algorithmic opaqueness" represents the regulation gap in Indian legal framework. In real world, platforms impose suspensions and deactivations without giving the workers an opportunity of being heard, to contest the decisions made by algorithms. Further, dispute resolution is either privatised by resorting to private arbitration or automated or time barred. These practises further insulate the algorithms from judicial scrutiny.[41]

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[35] Chelat, J. , 'From 'Gig Work' to Algorithmically Mediated Work: Shifting the Focus to Technological Control in Work Regulation' [2024] Indian Journal of Law and Technology' https://doi.org/10.55496/ijkh6389 accessed 4 February 2026.

[36] Singh, R., & Bhushan, V. , 'The global workforce revolution: Exploring digital labour platforms and the gig economy in the era of globalization' [2023] International Journal of Civil Law and Legal Research https://doi.org/10.22271/civillaw.2023.v3.i2a.52 accessed 4 February 2026.

[37] Code on Social Security 2020, s 2(35).

[38] Code on Social Security 2020, s 2(61).

[39] Code on Social Security 2020, ch IX.

[40] Kulshrestha, S. , 'Governing platform work in India: A risk matrix approach to tackling algorithmic arbitrage in line with the SDGs' [2025] International Journal of Innovative Research and Scientific Studies https://doi.org/10.53894/ijirss.v8i5.9475 accessed 31 January 2026.

[41] Yash Mittal , 'Compliance with Labour Laws in India on Gig Economy and Online Workplace' [2023] International Journal For Multidisciplinary Research https://doi.org/10.36948/ijfmr.2023.v05i04.4276 accessed 10 February 2026.

Recent government initiatives fail to fill this gap. Measures such as Rajasthan's platform-worker legislation though increase visibility of gig worker; they still remain to be welfare-centric and do not address the problems of algorithmic decision making or termination procedures.[42] Consequently, these practises continue to be operated in statutory lacuna.

The gap in regulation of algorithmic decision making is further strengthened through contractual clauses. Platforms prevent themselves by classifying workers as independent contractors or "entrepreneurs" masking termination as a contractual matter rather than a labour law dispute.[43] This classification remains in spite of the deep managerial like supervision over performance, incentives, pricing, and access to work. Platforms mask algorithmic termination as technical consequence by training the models to avoid legal parameters.[44] Conditions such as acceptance-rate cut-offs or inactivity limits are cited as reasons for termination while preventing formal appearance of non-employment.

Lopsided bargaining powers in the Terms of Service relating to termination further dismantle statutory protections. These terms legalize deactivation "at will" for vaguely defined breaches, followed by dispute resolution at limited forums.[45] This makes termination a contractual exit saving the scrutiny of Industrial Disputes Code safeguards of standing-order protections, and proportionality principles that traditionally govern dismissal.[46] This practice can be traced to reliance of fine print contract clauses and temporary labour to sidestep dismissal costs and statutory oversight by firms. [47] Algorithmic decision making entrenches

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[42] Rachna Verma, *'Rajasthan passes Rajasthan Platform-Based Gig Workers Registration and Welfare Act, 2023'* (Cyril Amarchand Blogs, 16 August 2023) https://corporate.cyrilamarchandblogs.com/2023/08/rajasthan-passes-rajasthan-platform-based-gig-workers-registration-and-welfare-act-2023/ accessed 1 February 2026.

[43] Rane, V. , 'Platform-based Gig Workers: a Blind Spot in the Indian Labour Laws' [2024] SSRN Electronic Journal https://doi.org/10.2139/ssrn.4821229 accessed 11 February 2026.

[44] Anwar, I., Garcia, P., & Hui, J. , 'Entangled Independence: From Labor Rights to Gig "Empowerment" Under the Algorithmic Gaze' [2024] Proceedings of the ACM on Human-Computer Interaction, 8, 1 - 26. https://doi.org/10.1145/3686916 accessed 3 February 2026.

[45] Sapkal, R. , 'Labour law, enforcement and the rise of temporary contract workers: empirical evidence from India's organised manufacturing sector' [2015] European Journal of Law and Economics, 42, 157-182 https://doi.org/10.1007/s10657-015-9514-z accessed 30 January 2026.

[46] De Stefano, V. , 'Negotiating the Algorithm': Automation, Artificial Intelligence and Labour Protection' [2018] Bocconi University Legal Studies Research Paper Series. https://doi.org/10.2139/ssrn.3178233 accessed 3 February 2026.

[47] Chaurey, R. (2015). Labor regulations and contract labor use: Evidence from Indian firms Journal of Development Economics, 114, 224-232. https://doi.org/10.1016/j.jdeveco.2014.12.008.
Rane, V. , 'Platform-based Gig Workers: a Blind Spot in the Indian Labour Laws' [2024] SSRN Electronic Journal https://doi.org/10.2139/ssrn.4821229 accessed 11 February 2026.

this practice by masking terminations as technical outcomes, thus making it harder to challenge.

ALGORITHMIC POWER BEYOND LABOUR LAW: COMPARISON WITH COMPETITION LAW

In digital markets such as travel, retail, and ride-hailing, algorithms are not treated as neutral background tools but they are recognised as systems that can manipulate price, influence competition in markets and influence the accessibility to these markets. The absence of similar recognition to algorithmic terminations disguised as contractual, in labour markets raises a deeper question as to why is technological power acknowledged when it affects consumer markets, but overlooked when it determines workers' livelihoods.[48]

Over the years, various firms have adopted algorithms to set prices dynamically in response to market conditions. So, in simple terms, Algorithmic pricing is the automated use of programs to set pricing based on market conditions. These automated systems, along with market strategy, help firms gain efficiency, real-time responsiveness, and revenue generation, due to which Algorithmic pricing has now become important for the platform economy. But this shift is not purely beneficial, as regulators have raised concerns that such algorithmic power may affect how various firms compete with each other in the market. Algorithms can monitor competitors and, based on that, can instantly adjust to price signals. Over time, such systems may begin mirroring each other's pricing patterns, producing stable or elevated prices when no direct agreement exists between firms.[49]

These concerns can be examined by the 'Competition Act, 2002,' through Section 3 & 4 of the act. This is because of the broad inclusivity provided by Section 3 of the Competition Act, 2002, "which prohibits anti-competitive agreements, which can have an adverse impact on market competition, while Section 4 addresses abuse of dominant position by the enterprise that holds a dominant position in the market." Therefore, the concept of "agreement" under Section 3 is interpreted broadly enough to capture technologically mediated coordination, including algorithm-driven parallel pricing.[50]

[48] Ibid n 18.
[49] OECD, *Algorithms and Collusion – Note from the United Kingdom* (2017). https://one.oecd.org/document/DAF/COMP/WD(2017)19/en/ accessed 8 February 2026.
[50] Competition Act 2002, ss 3, 4.

The "*Meru Travel Solutions Pvt. Ltd. v. Competition Commission of India,"*[51] establishes that even in the absence of liability, the inquiry itself signals institutional recognition of algorithmic systems as a locus of economic power. The case demonstrates that Indian competition authorities are prepared to treat algorithmic pricing and digital platform design as legally relevant forms of economic power, even where liability is not ultimately established.[52]

This demonstrates that Indian law is willing to treat algorithmic design and data concentration as legally relevant sources of economic power.[53] This differential treatment of algorithmic systems across regulatory domains reveals a structural asymmetry. As labour law does not extend comparable scrutiny to Algorithmic Management System (AMS) that regulate access to work and livelihood of workers. This AMS is the same system that allocates work, determines dynamic fares, measures performance through ratings, and in many cases deactivates/terminates workers on arbitrary basis. While, competition law expands the meaning of "agreement" to capture tacit algorithmic coordination, labour law has not similarly expanded the concept of managerial action to include automated deactivation as it approaches algorithmic termination as a contractual matter between platform and the workers.

The competition regulators examine algorithmic pricing for its impact on economic efficiency and market fairness, on the other hand labour law continues to treat algorithmic termination as a private contractual matter. This divergence produces a regulatory paradox where the law recognizes algorithmic influence when it threatens consumer welfare & market structure, but remains silent when employment relationships and access to livelihood of workers is affected. This difference is difficult to justify because if algorithms are powerful enough to influence competition in the market and harm consumers, then these AMS are equally capable of reshaping employment relationships and impact workers engaging with these AMS on a daily basis. Yet while competition law interrogates algorithmic pricing for its market effects, labour law continues to defer to private contracts and platform design. The result is a passive regulatory stance towards labour markets where economic harm is given more importance than livelihood harm.

[51] *Meru Travels Solutions (P) Ltd v Competition Commission of India* 2022 SCC OnLine NCLAT 37 (7 January 2022).

[52] Ibid.

[53] T K Cheng and J Nowag, 'Algorithmic Predation and Exclusion' (2022) Lund Law Competition Working Paper https://hub.hku.hk/bitstream/10722/311575/1/content.pdf accessed 6 February 2026.

REIMAGINING NATURAL JUSTICE FOR ALGORITHMIC WORKPLACES

Labour Law upholds the principles of natural justice by creating safeguards such as notice, opportunity to be heard, unbiased authorities, and reasoned decisions. But, these principles were evolved keeping in mind presence of human agency which could be assessed for fairness and accountability. Currently, decisions regarding employment, termination, dismissal are being increasingly taken up by data based algorithms without any regard to differing circumstances of each worker.[54] This change occurred in statutory silence behind the veil of contractual protections, making the application of natural justice protections almost redundant.

Algorithmic decision making further entrenches the lop-sidedness of power and information between employer and employee.[55] This is because the companies and platforms control data collection and grounds to make decisions, whereas workers have little to no knowledge about the working of such systems leading to unlikely outcomes such as deactivation. This leads to lesser worker autonomy and participation, especially where there is no explanation offered.[56] Indian Labour Law still revolves around the assumption of a human decision maker and does not offer any safeguard to contest such outcomes for workers excluded from traditional categories.

Recent researches posit that principles of natural justice must be integrated in algorithmic decision making power rather than just being a judicial formality. EU data protection has already introduced accountability mechanisms, including the right to access data, contest automated decisions, and shift burdens of proof in discrimination claims.[57] But, these regimes remain scattered and are centred on system design rather than deployment. Consequently, harms such as arbitrary decision making and not affording a fair procedure continue to remain unregulated. In India, the challenge is translation of values of natural justice into enforceable duties governing algorithms.

[54] Jarrahi, M., Newlands, G., Lee, M., Wolf, C., Kinder, E., & Sutherland, W. , ‘Algorithmic management in a work context’ [2021] Big Data & Society, 8 https://doi.org/10.1177/20539517211020332 accessed 7 February 2026.

[55] De Stefano, V., & Taes, S. , ‘Algorithmic management and collective bargaining Transfer’ [2022] European Review of Labour and Research, 29, 21 - 36 https://doi.org/10.1177/10242589221141055 accessed 11 February 2026.

[56] Ibid.

[57] Aloisi, A. , ‘Regulating Algorithmic Management at Work in the European Union: Data Protection, Non-discrimination and Collective Rights’ [2024] International Journal of Comparative Labour Law and Industrial Relations https://doi.org/10.54648/ijcl2024001 accessed 7 February 2026.

Certain minimum safeguards are necessary to integrate natural justice in algorithmic decision making. Firstly, statutory amendment must be made to make an obligation on platforms that no platform worker should be permanently deactivated or suspended without human review, solely on the basis of algorithmic decisions.[58] Such provisions would involve an identifiable human actor capable of understanding individual circumstances, rather than solely relying on data based outputs. This would help retain human agency in decisions affecting livelihood, without dismantling the core assumption behind the framing of labour laws and would also be coherent with the existing jurisprudence.

Secondly, algorithmic decisions often communicate the direct outcome such as 'Account deactivated' without providing any intelligible reasons to do so. This renders void the exercise of judicial review and internal contestation. In order to curb this procedural harm, it must be made compulsory to provide for written explanations in cases of decisions regarding termination, dismissal or suspension.[59] The explanation must consist of the grounds for making the decision, the metrics relied upon etc. This obligation would make procedural justice practicable instead of it being theoretical and integrate constitutional guarantees in digital employment as well.

Thirdly, natural justice requires an identifiable human actor, and cannot function where decision is taken by an opaque automatic system. While proprietary protection of code can be adjudged to be legitimate, complete opacity behind such legitimate interests is arbitrary in name of objectivity. The laws should impose a statutory mechanism to disclose the decision criteria, risk thresholds and metrics used in decision making. This would require not full disclosure, but sufficient transparency to protect the rights of platform or gig workers. [60] Such limited disclosures are also in line with regulatory approaches in competition law, where automated systems are regulated without full disclosure.[61] Such transparent mechanisms become even more important when dispute resolution is private and limited.

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[58] Adams-Prassl, J., Rakshita, S., Abraha, H., & Silberman, M. , 'Towards an International Standard for Regulating Algorithmic Management: A Blueprint' [2024] SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4684947 accessed 9 February 2026.

[59] Abraha, H. , 'Regulating algorithmic employment decisions through data protection law' [2023] European Labour Law Journal, 14, 172 - 191 https://doi.org/10.1177/20319525231167317 accessed 1 February 2026.

[60] Zhang, M., Cooke, F., Ahlstrom, D., & McNeil, N. , 'The Rise of Algorithmic Management and Implications for Work and Organisations' [2025] New Technology, 40 https://doi.org/10.1111/ntwe.12343 accessed 5 February 2026.

[61] Ibid n 49.

Lastly, the opaqueness of algorithmic decision making creates an evidentiary lacuna. Workers are unable to access internal data and decision rubrics. In disputes regarding automated decisions, the burden should shift to the platform or employer, whatsoever, the case may be to inculcate procedural fairness and remove aspects of arbitrariness. This would help upholding constitutional commitment of non-arbitrariness and prevent from neglecting judicial oversight.[62]

Thus, integrating natural justice in algorithmic decision making requires inclusion of the aforesaid safeguards, without which the automated decisions will remain in the grey area of law and continue to be unregulated, perpetuating injustice behind the veil of contractual design and technical output.

CONCLUSION

Algorithmic management has led to restructuring of decision making authority within employee-employer relation. The paper has argued that decision made by data driven algorithms leads to procedural harms, which currently, goes unaddressed by Indian labour law. The labour law jurisprudence presupposes presence of human decision making agency in decisions which affect worker's livelihood. These systems execute such decisions on the basis of opaque data driven processes, producing termination like consequences without following principles of natural justice.

The principles of natural justice presume that decisions are made by human actors, and solely not by proprietary models, rating standards. The new labour codes identify the category platform work but they protect them only on the outset, with no real procedural protections, in case of algorithmic decision making. Thus, there exists a legislative and regulatory vacuum which exempts accountability of the platform.

The future of work in India will be increasingly influenced by these systems as platform work grows and algorithmic management affects all industries. Algorithmic termination is a change in power rather than efficiency. If fairness in employment governance is to be maintained, Indian labour law must immediately include enforceable procedural safeguards.

[62] Aloisi, A., & De Stefano, V. , 'Between risk mitigation and labour rights enforcement: Assessing the transatlantic race to govern AI-driven decision-making through a comparative lens' [2023] European Labour Law Journal, 14, 283 – 307< https://doi.org/10.1177/20319525231167982 >accessed 5 February 2026.