



04 August 2026

*Sa-Dhan Conclave on HR Excellence in Microfinance:
Emerging Trends & Evolving Pathways*

Presented by: Sa-Dhan and Samavit Vikas Private Limited

Sa Dhan Conclave on HR Excellence in Microfinance: Emerging Trends & Evolving Pathways

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Date of the Event: 21st July 2026

Venue: Flora Airport Hotel, Kochi, Kerala

1. Inaugural address

Chitrabhanu K.G, EVP & Country Head, Agri, Micro & Rural Banking, Federal Bank

1.1 Key takeaways from the speech

- Keep people at the core - Technology and AI should enhance, not replace the human element in financial services.
- Adapt to a changing environment: The sector must respond to recent challenges with new thinking and greater resilience.
- Invest in employees: Focus on skills, retention, leadership, and hiring people with the right attitude.
- Strengthen trust and governance: Promote responsible lending, regulatory compliance, and a culture of integrity.
- Nurture for sustainable growth: Long-term success comes from investing in people, relationships, and organizational culture.

2. Panel discussion 1

New labour code: Key changes, opportunities and implementation challenges.

Lead Presentation: Purvi Thakkar, Director, E &Y

Moderator: Jagdeesh Ramadugu, MD, Pragati Finserv

Speakers:

1. Subhranshu Pattnayak, CHRO, Muthoot Microfin
2. Bikram Mishra, CHRO Dvara KGFS
3. Bobby Mathew, Head HR, ESAF SFB
4. Ashok Kumar, CHRO, Asirvad Microfinance

2.1 Core questions addressed in the panel discussion

- How to address the cost and operational impact of the new labour codes on the microfinance and financial services sector?
- How should MFIs redesign compensation structures, working practices, and processes to ensure compliance while maintaining business efficiency?
- What role will digital transformation and technology play in enabling labour code compliance, payroll management, and employee experience?
- How can organizations effectively manage change, communicate with employees, and use the labour code transition as an opportunity to strengthen workforce practices?

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2.2 Presentation insights

- India's labour compliance system evolved over decades, leading to multiple laws, registers, and complex processes.
- The four labour codes aim to simplify, standardize, and modernize labour compliance.
- The key objectives are to consolidate 29 central labour laws into 4 labour codes, simplify compliance, promote technology-driven processes, ensure consistency across sectors, and align labour practices with evolving workforce needs.
- HR teams should view labour codes as a strategic transformation opportunity, not just a compliance exercise.
- Organizations need to review policies, systems, compensation structures, and workforce practices.

Four labour codes

- Code on wages: Standardizes wage definitions and compensation practices.
- Industrial relations code: Defines employer-employee relationships, hiring, performance, layoffs, and retrenchment processes.
- Occupational safety, health & working conditions code: Focuses on workplace safety and employee conditions.
- Social security code: Strengthens and streamlines social security benefits.
- Successful implementation requires proactive planning, technology adoption, and collaboration across organizations.

2.3 Key insights and perspectives shared by the speakers

Bobby Mathew

- Wage restructuring will increase statutory cost implications.
- Overtime and variable pay can create long-term financial liabilities.
- Digital payroll and automation are necessary.
- Strong employee communication and cross-functional coordination are key.

Bikram Mishra

- Overtime management is the biggest operational challenge.
- Organizations must redesign working hours to meet legal limits.
- Integrate HRMS with business systems for better compliance.
- Improve transparency and employee experience through technology.

Ashok Kumar

- Working-hour compliance is difficult in field-based microfinance operations.
- Focus on social security and wage structure changes.
- HR, business, finance, and compliance must work together.
- Increase employee awareness and training on Labour Codes.

Subranshu Pattanayak

- Labour codes aim to improve transparency and formal employment.
- Compliance should become part of the organizational culture.
- Use technology and automation to simplify compliance.
- Better compliance builds employee trust, retention, and employer brand.

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2.4 Key takeaways for the Microfinance (MFI) sector

- Redesign salary structures to comply with the new wage definition while managing statutory cost implications.
- Control overtime and working hours, as they are likely to have the biggest impact on operating costs and compliance.
- Invest in digital HR systems by integrating HRMS, payroll, and loan management systems to automate compliance.
- Strengthen cross-functional collaboration between HR, Operations, Finance, Compliance, IT, and Business teams.
- Review and update HR policies on wages, leave, overtime, full & final settlement, and social security.
- Prepare for faster compliance requirements, including timely full & final settlements and statutory reporting.
- Train managers and employees on labour code provisions to ensure consistent implementation across branches.
- Improve workforce planning and field operations to reduce unnecessary overtime while maintaining productivity.
- Leverage technology and AI for payroll processing, compliance tracking, employee support, and reporting.
- Treat compliance as a strategic advantage by enhancing transparency, employee trust, retention, and employer branding.

3. Panel discussion 2

Employee first culture in Microfinance: Prioritizing working conditions, work culture & grievance redressal.

Lead presentation: Rituparna Roy, Deputy Vice President, Sa-Dhan.

Moderator: Harish Raghu, Sector Expert

Speakers:

1. Aditi Mittal, Vice President, HR Fusion Finance
2. Udeesh Ullas, COO, Muthoot Microfin
3. Prashant Rai, CHRO, Spandana Sphoorty
4. Vishal Thakur, Head HR, Microfinance Business, Tata Capital
5. Mrinal Sengupta, EVP Head, HR & L&D, BFIL

3.1 Core questions addressed in the panel discussion

- How can microfinance institutions evolve branch models and working conditions for the future?
- How can organizations proactively address employee grievances and reduce attrition?
- How can microfinance firms balance customer and employee centricity?
- How can organizations build a strong culture for sustainable growth?

3.2 Presentation insights

- Employee retention is a critical challenge in the microfinance sector and requires a systematic approach.
- Industry-wide HR standards can help create consistent and fair employment practices across microfinance institutions.

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- HR should be treated as a strategic function that directly impacts organizational performance and financial inclusion.
- Leadership and board-level commitment are essential for building a strong employee-focused culture.
- A positive, inclusive, and customer-centric workplace culture improves employee engagement and retention.
- Transparency in hiring, promotions, transfers, and performance appraisals builds employee trust.
- Ethical employment practices are fundamental to maintaining employee confidence and organizational credibility.
- Data-driven HR management, including attrition analysis and employee feedback, enables better decision-making.
- Employee well-being should be supported through fair compensation, safety, work-life balance, and accessible grievance mechanisms.
- Diversity, equity, and inclusion should be integral to HR policies and organizational culture.
- Continuous collaboration and knowledge sharing among microfinance institutions can strengthen HR practices across the sector.
- Responsible finance begins with responsible institutions, and responsible institutions are built by valuing and supporting their employees.

3.3 Key insights and perspectives shared by the speakers

Aditi Mittal

- Employee well-being should be viewed as an investment, not an expense.
- A safe workplace, timely support, and empathetic managers are the three most critical factors for employee engagement.
- Employee grievances should be addressed proactively through regular surveys and technology-enabled feedback systems.
- HR policies are effective only when leaders regularly engage with employees at the branch level.
- Organizational culture is reflected in how employees are treated, not in policies or town hall meetings.

Mrinal Sengupta

- The industry needs to balance traditional branch models with evolving digital operations.
- Employees, especially younger generations, increasingly value personal space and better living conditions.
- Commercial branch infrastructure is the future, but current branches must still provide safe and hygienic facilities.
- Grievance management requires continuous monitoring rather than relying on exit interviews.
- Technology and AI can help identify employee dissatisfaction early and support employee well-being.
- Organizational culture depends on leaders consistently demonstrating the values they promote.

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Prashant Rai

- The relevance of branch accommodation is declining as operations become more digital.
- Organizations should focus on employee dignity and flexibility rather than mandatory branch accommodation.
- The quality of talent required in microfinance is changing due to digital transformation.
- Employees need organizations that genuinely listen to them through multiple communication channels.
- HR should advocate for employees while balancing business realities.
- The CHRO acts as the navigator of organizational culture, guiding leadership toward the desired future.

Vishal Thakur

- Providing branch accommodation is not necessarily an effective strategy for reducing attrition.
- Today's employees value privacy and independence more than shared accommodation.
- Investments should prioritize improving branch infrastructure over employee accommodation.
- Employee grievances should be handled with empathy, especially in cases involving future employability.
- Organizational decisions should balance compassion with consistency.
- A strong organizational culture requires shared values and long-term commitment.

Udeesh Ullas

- Branch accommodation should be based on operational needs and local realities rather than a universal policy.
- Providing separate accommodation near branches can help reduce early attrition in remote locations.
- Employee grievances should be addressed through multiple confidential communication channels.
- Direct interaction between senior leaders and frontline employees strengthens trust and communication.
- Mental well-being support and dedicated grievance mechanisms are becoming essential.
- Organizational culture must be demonstrated by leaders through their daily actions.
- Core values such as customer centricity, integrity, accountability, respect, and responsible lending should guide every decision.

3.4 Key takeaways for the Microfinance (MFI) sector

- Employee experience is central to customer experience and business success.
- Flexible workplace models are replacing traditional branch-based employment practices.
- Safe, professional, and employee-friendly working conditions improve retention.
- Technology should be leveraged to proactively identify and resolve employee concerns.
- Empathetic leadership and open communication are critical to reducing attrition.
- Organizational culture is built through leadership behavior, not policies alone.
- HR is evolving into a strategic function that drives employee engagement, culture, and sustainable organizational growth.

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4. Fire side chat: Staff capacity building in Microfinance

Lead Presentation: Karthick Ramadas, Sr VP, Sa-Dhan

Moderator: Saibal Paul, Deputy Director, Sa-Dhan

Speakers:

1. Ajith Kumar K.K, MD & CEO, Dhanalakshmi Bank
2. Manoj Pasangha, Co-CEO & MD Designate, Asirvad Microfinance

4.1 Overall core question addressed by the panel

How can the microfinance sector build a capable, motivated, ethical, and customer-focused workforce that can support sustainable growth while managing employee attrition, operational risks, and changing customer expectations?

4.2 Presentation insights

- Staff capacity challenges: High attrition, limited refresher training, and difficulty in timely recruitment and deployment affect staff readiness and performance.
- Training gaps: MFIs largely focus on product and process training, with limited emphasis on soft skills, client engagement, risk awareness, compliance, and continuous learning.
- Capability gaps: Key areas needing improvement include borrower income assessment, handling client objections, managing stress situations, leadership skills, and understanding of RBI/SRO guidelines.
- Sa-Dhan initiatives: Capacity-building efforts include IABF certification programs, executive development programs with NIBM/IIMs/BIRD-NABARD, webinars, conferences, and the NABARD-supported MFI Accelerated Program.
- Emerging practices: MFIs are adopting AI-based learning, mobile micro-learning, external training partnerships, coaching approaches, and tracking training hours to strengthen staff capabilities.

4.3 Key insights and perspectives shared by the speakers

Ajith Kumar KK

- Banks also experience attrition, particularly among younger employees, where expectations now go beyond compensation to include career growth, workplace culture, learning, and purpose.
- Gen Z employees evaluate organizations based on transparency, engagement, values, and opportunities for development.
- Employee engagement and a listening culture are critical for retention.
- Strengthen mentoring, learning programs, and employee engagement initiatives; create a workplace culture that adapts to changing employee expectations.

Manoj Pasangha

- Frontline staff require stronger preparation as many are young and inexperienced when entering the sector.
- Training should be treated as a strategic business function, not just a support activity.
- Effective training must combine classroom learning, digital tools, practical case studies, and field-based experiences.
- Employees need clarity on the purpose behind regulations, processes, and customer responsibilities.

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- Customer communication, ethical collections, compliance, and responsible lending should be core capabilities.
- Introduce stronger induction programs, practical training methods, clear career pathways, and continuous capability building focused on customer handling and responsible operations.

4.4 Key takeaways for the Microfinance (MFI) sector

- Build a skilled, motivated, and ethical frontline workforce.
- Shift training from process-focused learning to purpose-driven capability development.
- Improve employee retention through engagement, career growth, and organizational support.
- Strengthen customer-centric practices and responsible lending through better communication and training.

5. Vote of thanks

Jiji Mammen, ED & CEO, Sa-Dhan

5.1 Highlights of the speech

- Expressed thanks to the participants and highlighted three key themes from the event sessions:
 - New labour codes compliance: Organizations should adopt the new Labour Codes to ensure legal compliance and improve employee retention. Follow up action: An industry-wide FAQ on the new Labour Codes will be developed by Sa-Dhan team with support from EY, incorporating questions from CHROs and expert responses.
 - Employee well-being: Discussions emphasized fair treatment of employees, improving workplace conditions, and enhancing their quality of life.
 - Training & capacity building: Training should be viewed as a strategic investment that strengthens employee performance and organizational growth.

5.2 Conclusion

Vote of thanks concluded with a strong emphasis on the need for ethical workplace practices, proactive grievance redressal, and an empathetic organizational culture to foster employee well-being and prevent workplace misconduct. Referring to recent criticisms raised by an unrecognized employee union, the speaker underscored the importance of addressing genuine employee concerns in a timely and constructive manner to strengthen organizational credibility and enhance the reputation of the sector. The conclave ended with a note of appreciation to the organizers, an invitation to participants to attend Sa-Dhan's National Conference in Delhi on 7–8 October, and a call for organizations to apply for the industry's three annual awards, including the Women-Friendly Organization Award.



Sa-Dhan
Fostering Inclusive Impact Finance



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