2016 Demonetization in India: Missed Operational and Leadership Opportunities

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ABSTRACT

With the goal of curbing the “black money” that is earned without paying government taxes or that is earned through illegal activities, the Indian government demonetized large bills (Rs. 500 and 1000 bills) in November 2016. The demonetization was planned poorly and resulted in operational failure. This created a chaos in the country. Especially, many poor and small mom-and-pop businesses were negatively impacted in the ensuing several months. This article details how the demonetization could have been executed more effectively. The article identifies many leadership and operations management lessons that one can learn from the 2016 demonetization exercise in India.

Keywords: Demonetization, Operational failure, Leadership, India