

# Constrained By Theory Of Constraints

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## **Abstract:**

*Theory of Constraints is a management paradigm that views any manageable system as being limited by number of constraints. The management philosophy was introduced by Eliyahu Goldratt in his book titled "The Goal". While the book, originally published in 1984 has sold almost 10 million copies, Theory of Constraints consultants are few in number and struggling to survive. This paper attempts to answer the question as to what ails Theory of Constraints consultants.*

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## **I. Introduction**

Theory of Constraints is not a popular management paradigm. While there are millions of management consultants worldwide, the number of Theory of Constraint consultants is very few. What is even worse is that Theory of Constraint(TOC) consultants run as a Mom and Pop store fashion. Of course there are some management consulting firms specializing in Theory of Constraints, which are small sized operations, like Goldratt Consulting in Israel, Marris Consulting in France and Vector Consulting in India. But besides these exceptions, the norm is of very few mom and pop store in Theory of Constraints consulting.

This is more surprising because the book that espoused Theory of Constraints(TOC) paradigm – The Goal, written by Eliyahu Goldratt – is a best seller and often discussed. Indeed the book, initially published in 1984 has been translated into many languages and has sold almost 10 million copies. Yet despite the popularity of the book, the management philosophy of Theory of Constraints does not find too many takers. This paper tries to find why this is so.

## **II. Theory of Constraints(TOC)**

The theory of constraints is a management philosophy that views any organisational process as one with many steps and the entire process is limited by the weakest step that acts as a constraint. The Theory of Constraints tries to find the weakest step and remove the constraint.

A constraint is something that prevents the system from achieving its goals. The steps of Theory of Constraint are

1. Identify the constraint
2. Decide to exploit system constraint
3. Subordinate everything to constraint
4. Elevate the constraint
5. Go back to step 1

The underlying premise is that organisations can be measured by three parameters – throughput, operational expense and inventory. Throughput is obviously the sales, inventory is the goods carried and operational expense is the costs incurred in converting inputs to outputs. Now the way to optimize an organisation is to maximize throughput and minimize both operational expense and inventory by removing constraint.

## **III. The Fanaticism of Theory of Constraints Consulting**

The problem with Theory of Constraints is that its consultants believe that it is one stop solution for all problems in an organisation. Indeed Theory of Constraint (TOC) consultants often position themselves against Strategy Consulting, which to their mind includes all other management philosophies.

The problem is not that there is no wisdom in Theory of Constraints, the problem is that Theory of Consultant professionals believe that Theory of Constraints is the all that is needed in management of organisation.

Now every person who has studied management in business schools, knows that management is a vast discipline and there are many paradigms and philosophies in management. There are various subfields such as strategy, hr, marketing, quality , finance etc.

Even within the limited field of production, where theory of constraints finds the greatest utility, there are many management philosophies such as lean or just-in-time or Toyota-model etc etc etc.

But the problem with Theory of Constraints professionals is that they believe that TOC is the greatest wisdom that has dawned in management discipline and that makes unnecessary any other management thought.

Mind you, while there is no doubt the Theory of Constraints(TOC) is well known, it is not even taught in many business schools. Now while some TOC consultants boast the fact that it is taught in more than 200 universities and colleges, what that also means that TOC is not taught in more than 20,000 universities and colleges. Which means in more than 99% of educational universities TOC is not taught. So TOC is not part of mainstream management curriculum.

And yet Theory of Constraint consultants behave as if TOC is the only solution available in world and worse all other management paradigms are wrong. Thus Theory of Constraint practitioners preclude every other management thought in the world. This is very absurd, especially considering that most management schools do not teach Theory of Constraints.

So on one hand Theory of Constraint practitioners are dismissive towards every other management philosophy or paradigm. On other hand the main stream management and business academic and corporate world does not consider Theory of Constraints as even meriting acceptance.

Thus there is a certain mutual exclusivity between main stream Management Paradigms and Theory of Constraints. Hence Theory of Constraints is not very popular and doesn't find wide acceptance.

#### **IV. Conclusion**

Theory of Constraints(TOC) is no doubt a very sensible management paradigm. But the problem is that TOC consultants believe that Theory of Constraints is the solution to all organisation problems, thus obviating the need for any other management theory. Clearly this fanaticism of TOC consultants is costing them a lot in acceptance. If TOC consultants accept other management philosophies and position their offering within the basket of all other management philosophies they may find greater acceptance.