

The Watson Dynasty: The Fiery Reign and Troubled Legacy of IBM's Founding Father and Son. *By Richard S. Tedlow.* New York: HarperBusiness, 2003. xi + 340 pp. Bibliography, notes, index. Cloth, \$26.95. ISBN: 0-060-01405-9.

Reviewed by H. W. Brands

A salesman for the National Cash Register Company once encountered a skeptical prospect: a crossroads merchant who barred from his store any item of equipment or inventory that wasn't authorized by the Bible. Cash registers, he declared in a voice intended to terminate the visit, played no role in either the Old Testament or the New. The salesman declined to argue but calmly produced a Bible. He and the merchant read together until they reached the Lord's Prayer. Upon reciting the phrase "Lead us not into temptation," the NCR man looked heavenward and declared that nothing could be more obvious than that an NCR cash register, with its mechanical encouragement of staff honesty, enjoyed the blessing of the Almighty. He made the sale.

Richard S. Tedlow, professor of business administration at Harvard Business School, rightly characterizes this story as a bit too pat. But he employs it to establish the context for the emergence of Thomas J. Watson, who acquired his sales skills under John Henry Patterson, autocrat of "the Cash." So faithful was Watson that he was indicted with Patterson and other NCR executives for antitrust violations, and so successful was he that he was fired for threatening Patterson's hegemony at the firm (Patterson made a practice of axing his top men). Watson landed at the Computing-Tabulating-Recording Company, a "blob of a business," in Tedlow's phrase (p. 75), that Watson proceeded to reorganize, and eventually rename, as the International Business Machines Corporation.

By the late 1930s, IBM was the leader in its field. Its ascent resulted from Watson's obsession with detail, his establishment of a corporate culture that put the Cash to shame, and Franklin Roosevelt's inauguration of the American welfare state. The New Deal programs, especially Social Security, required tabulating and otherwise tracking larger numbers of people in greater detail than had ever been attempted in history. IBM provided the machines and punch cards that made it all possible. Not surprisingly, Watson was that rare chief executive who supported Roosevelt and the New Deal. And

when the New Deal went to war, IBM did too, transporting its machines and punch cards around the world.

Tedlow tells enough of the IBM story to make Watson understandable, but he is more interested in the Watson family story. Watson had a son, Thomas Jr., who spent his youth failing at school, squandering his father's money, and generally disappointing the old man. Watson Sr. perversely appeared to be priming the boy for failure: he gave him everything and then berated him for his lack of initiative and independence. And the personal cult he fostered at IBM added to Junior's anguish. The boy couldn't help hearing and reading of the elder Watson's victories without thinking that such accomplishments were expected of him, but the father did nothing to help him believe he could ever reach such heights. In fact, the father appeared to delight in crushing any hope of success the boy cherished.

Tedlow doesn't plow much new ground in this book, which leans on the younger Watson's memoir and on works by Thomas and Marva Belden, William Rodgers, and other historians of business. Tedlow's organizational scheme for the book is at times idiosyncratic: he keeps returning to topics previously covered, for reasons that don't warrant the interruption of the chronology. He cites pieces of folk or business wisdom that occasionally cross the banality threshold. "If people are not getting along," he says at one point (p. 153), "traveling together is generally not a good idea." Elsewhere (p. 221), he asserts, "People at all levels want to feel they are doing something important. They want to feel valued." Apropos Watson Sr.'s coming to work near the end of his stretch at the Cash and finding another man in his office, he proclaims, "Tip for ambitious executives: This is not a good sign" (p. 41). And certain of Tedlow's readings of IBM's history are curious. He says, for example, that "IBM gave DOS away to Microsoft" (p. 269). Bill Gates and Paul Allen would put the matter differently; for all these years they've been under the impression that IBM got DOS from them.

On the whole, however, Tedlow effectively weaves the family story and the company story together, adding value to both accounts. Junior went off to World War II, matured as he never would have at home, and discovered that his father wasn't so intimidating after all. Junior joined the company and, despite some boardroom donnybrooks with the old man, propelled IBM from the punch-card era to the electronic

age. Junior's style was strikingly different from Senior's: where the latter demanded obeisance, the former encouraged confrontation. But each aimed, in the words of an early speech by Senior, to make IBM "an institution that will go on forever" (p. 103). Both succeeded, at least thus far. And general readers—Tedlow's obvious audience—will find this account of how they did so engaging and instructive.

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