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W. M. IMLAY, FISCAL AGENT

ADDRESS REPLY TO  
FEDERAL RESERVE BOARD

August 17, 1920.  
X-1994

Subject: Salary Adjustments and Classification  
of Employees.

Dear Sir:-

By direction of the Board, I append hereto copies of instructions to employees of the Board announcing the adoption by the Board of plan of salary adjustments therein explained.

As all Federal Reserve Banks are confronted with the problem of adjusting salaries, the Board felt that they would be interested in its method of treating the question. It will be noted that no attempt has been made to classify officers, but that sufficient classes are prescribed to embrace the entire remainder of the organization. In achieving this end, it was necessary in several instances to create classes covering individual employees.

In determining the salary range for each class of employees, the Board fixed the figures at approximately the replacement values of the employees. In each instance, the maximum salary in a class is 33-1/3% of the minimum greater than the minimum. Not desiring in any way to suggest what salaries should be paid to employees of Federal Reserve Banks, the Board instructed me to omit from the enclosed memorandum the figures showing the salary scale it adopted for its own employees. However, the figures are shown in the memorandum given employees, so that each employee knows exactly what opportunity exists in the field.

Successful operation of the plan demands that those serving on the sub-committee on staff be acquainted intimately with the work of employees whose ratings they present for the committee's consideration.

It has been suggested that should Federal Reserve Banks desire to adopt a similar plan, the Board could approve the salary ranges recommended, and leave it to the Banks to make

adjustments within the ranges without reference to the Board. The Board believes it would not only be possible but highly desirable to have standard classifications adopted by the Reserve Banks, recognizing, of course, that salary ranges for such classifications need not be uniform throughout the system. Of course, should a Federal Reserve Bank adopt the plan, the Board would expect the Bank to restrict its application to employees below the rank of Assistant Cashier and whose salaries are \$3,000 per annum or under, and to continue to submit to the Board for specific approval, increases in salaries above the classification ranges, as well as salaries of all new officers and employees who are to receive pay of \$2,400 or more per annum. In the event of the adoption of the plan by any Federal Reserve Bank, the Board would, of course, desire that the Bank continue to submit for the records of the Board as heretofore, a statement showing its complete organization and salaries paid as of January 1st and July 1st of each year.

It is believed that the present is an opportune moment to adjust salaries on a permanent basis, looking to the abandonment of the present bonus payments.

Very truly yours,

Enclosure.

Secretary.

TO CHAIRMEN OF ALL F.R. BANKS.

X-1994 a

FEDERAL RESERVE BOARD  
WASHINGTON

TO THE EMPLOYEES OF THE FEDERAL RESERVE BOARD: July 1, 1920.

The Federal Reserve Board has approved, effective July 1, 1920, a plan of classifying its employees into grades with salary range, as follows:

<u>SUPERVISORY:</u>	<u>Salary</u>	
	<u>Minimum</u>	<u>Maximum</u>
Chief Clerk . . . . .		
Supply Agent . . . . .		
Senior Statistical Accountant . . . . .		
Chief, Gold Settlement Division . . . . .		
Section Supervisor . . . . .		
Assistant Chief Clerk . . . . .		
Federal Reserve Note Clerk . . . . .		
Printing and Record Clerk . . . . .		
Chief Clerk, Division of Reports and Statistics . . . . .		
Chief File Clerk . . . . .		
Librarian . . . . .		
General Assistant . . . . .		
Statistical and Accounting Clerk . . . . .		
 <u>CLERICAL:</u>		
Office Assistant . . . . .		
Stenographic Clerk . . . . .		
Technical Clerk . . . . .		
Stenographer . . . . .		
Clerk-Typist . . . . .		
Comptometer Operator . . . . .		
Typist . . . . .		
Clerk . . . . .		
Card Puncher . . . . .		
 <u>SUB-CLERICAL:</u>		
Machine Operator . . . . .		
Chief Messenger . . . . .		
Assistant Chief Messenger . . . . .		
Messenger . . . . .		
Messenger (probationary period 2 mos.)		
Junior Messenger . . . . .		

As the basis for rating each employee, the Board has approved the following:

:Qualification	:Weight:	Per Cent:	Actual:
:	:	:Attained:	Weight:
: 1. Ability	: 50 :	:	:
: 2. Application	: 20 :	:	:
: 3. Adaptability	: 18 :	:	:
: 4. Attendance	: 8 :	:	:
: 5. Appearance	: 4 :	:	:
: TOTAL	: 100 :	:	:

On this basis, the percentage attained by employees shall determine the compensation to be received in the respective grades, as follows:

Rating

70-80 . . . . .	Minimum	
81-85 . . . . .	1st increase of 1/9	
86-90 . . . . .	2nd	"
91-100 . . . . .	3rd	"

For the purpose of administering this plan, the Board has appointed the following sub-committee on staff:

Secretary  
 Assistant Secretary  
 Statistician  
 Chief, Division of Examination  
 Chief, Division of Reports and Statistics  
 General Counsel.

It is the duty of each division chief to rate each of his employees on the first of March, June, September and December. Employees are therefore assured of a quarterly rating, and of close attention to their individual efforts for advancement.

Division chiefs may also rate particular employees on dates other than those specified.

Recommendations of ratings by division chiefs are submitted to the sub-committee on staff, meetings of which are held monthly, or at special times when called by the Secretary. Recommendations growing out of such meetings are submitted to the Executive Committee of the Board for consideration at the next regular meeting of the Board.

After approval by the Board of ratings recommended by the sub-committee, each employee shall be given in a sealed envelope a notice of rating and relative standing in his or her grade.

In considering the qualifications of employees, the following elements are given weight, but these do not preclude the consideration of other elements which, in particular cases, may be deemed of greater importance.

1. Ability - Accuracy, care, dexterity, education, experience, energy, initiative, intelligence, reliability, speed.
2. Application - Devotion to duties.
3. Adaptability - Ambition, cooperation, courtesy, tact, loyalty, observation, interest in general work other than in own particular job, habits.
4. Attendance - Regularity, punctuality, reliability.
5. Appearance - Neatness, alertness.

Any employee feeling full justification therefor, shall have the right to file with the sub-committee in writing, a request for review of his or her rating. Such request shall recite in detail the employee's reasons for believing the rating to be unfair.

(Signed) W.T. CHAPMAN.

Secretary.