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FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-6011

April 9, 1928.

SUBJECT: Classification of Personnel
at Federal Reserve Banks.

Dear Sir:

In December 1925 the Federal Reserve Bank of New York submitted to the Federal Reserve Board a plan for classifying its personnel into groups and grades, accompanied by an analysis covering each position within the grades established, with salary ranges for each grade and each position, and asked the Board to approve the plan and to authorize the bank to make promotions of employees within the grades and salary ranges without first securing the Board's approval. After consideration, the Board on January 12, 1926, advised the bank that it approved the plan submitted with certain restrictions.

The plan adopted for New York has proven more satisfactory to both the Board and the bank than that formerly in effect and the Board's committee on salaries and expenditures of Federal reserve banks feels that changes in personnel can be handled more advantageously if a plan along the same general lines is adopted for the System as a whole. Accordingly, the committee has recommended that a standard classification of employees be worked out for the Federal Reserve System and that under this classification: (1) The personnel be divided into groups such as, for instance, department heads, bank examiners, auditors, clerical, non-clerical, protection, building, etc., (2) Employees within each group be divided into grades, and (3) A job analysis be made of all the positions in the System which fall within each of the grades thus established, such analysis to show the duties to be performed and the qualifications the incumbent should have.

The committee also recommended that after this standard classification has been completed it be submitted to the Governor and Agent of each Federal reserve bank for study and such recommendations in regard thereto as they wish to submit. The committee's proposal also contemplates that when the standard classification has been approved by the Board each Federal reserve bank should

be requested (a) to furnish the Board with a list of all employees within each group, grade and job classification and (b) to recommend to the Board salary ranges for each grade and job classification at the head office and at each branch.

Under this plan the group and grade classification would be identical for all Federal reserve banks and branches, and the job classification as nearly the same as the method of operation would permit, but the salary ranges for the different positions would be fixed with the view of paying salaries for the respective positions commensurate with salaries paid by other banks for similar classes of work in the place where the head office or branch is located. In a classification such as indicated above for the System as a whole, there would, of course, be many positions, and perhaps some grades, in which there would be no employees at a number of the banks and branches.

After the salary ranges proposed by the Federal reserve banks were approved by the Board, it would be the Board's intention to authorize the Federal reserve banks to make changes in their personnel from time to time without the advance approval of the Federal Reserve Board with the understanding that (1) no changes be made in the groups, grades, job classification, or salary ranges without the prior approval of the Federal Reserve Board, (2) the Board be furnished as of the first of each quarter with a statement showing all personnel changes made during the preceding quarter, including appointments and resignations, where the salary paid was in excess of \$2,500, and (3) the Federal Reserve Board be furnished as of January 1 of each year with a complete list of all employees by departments and positions showing the name, position, and salary of each employee.

The Board has tentatively approved the recommendation of its Committee on Salaries and Expenditures and proposes to appoint a committee of representatives of the Federal reserve banks to prepare the group and grade classification and the specifications for the individual positions. Before taking final action in this matter, however, the Board would like to have an expression of your views with reference to the advisability of adopting such a plan for the System as a whole.

Very truly yours,

Walter L. Eddy,
Secretary.

TO ALL AGENTS AND GOVERNORS OF F. R. BANKS.