

## FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

X-6293

April 18, 1929.

SUBJECT: Classification of personnel at Federal Reserve Banks.

Dear Sir:

With reference to the Board's letter X-6267 of March 14, 1929, on the above subject, I beg to advise that the Committee on Personnel at Federal Reserve Banks met in Chicago on April 8, and submitted a report to the Federal Reserve Board, under date of April 10, recommending that a plan of job analysis and classification of employees similar in scope and purpose to that outlined by the Board and explained in its letter of October 9, 1928, be adopted by each Federal reserve bank. The Committee's report, a copy of which is enclosed herewith, has been approved by the Federal Reserve Board.

If your directors concur in the Committee's report it will be appreciated if you will prepare an analysis of each position or job, except appraised positions, in your bank on "form A", a supply of which has been furnished you by the Chairman of the committee and forward it to the Board at your convenience. The appraised positions, i.e., positions for which it is not practicable to establish salary ranges, should be kept at a minimum. The Board hopes that the personnel reports to be submitted for each bank and branch will be prepared as promptly as convenient, in order that they may be reviewed by the Board and, if practicable, the plan placed in actual operation before the end of the calendar year.

Your report on form A should be accompanied by a list of employees in your bank, showing the classification symbol of each employee as used in the second column of form A, the title of the job held, the salary paid to the employee on the date of the report, and except in the case of appraised positions, the maximum and minimum salary provided for the position or job. Experience in the past has shown that in adopting a plan of the kind under consideration it will be found that some employees are receiving more than the maximum provided for their grade.

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While it is not expected that such employees will be reduced in salary at the time the plan is adopted it is to be expected that in course of time the salaries of such employees will be brought within the salary ranges approved for the positions occupied.

While the Board realizes that some of the positions in the Federal reserve banks, such as that of teller for instance, are not comparable with similarly designated positions in commercial banks, it expects that in preparing the salary ranges for the different positions in the bank you will take into consideration the salaries paid by local member banks for corresponding positions, and that your salary ranges will be in substantial accord with salaries paid for similar work by the local banks. Following this principle it is apparent that in many cases the salary ranges for positions in a branch may be substantially different from those at the head office or at another branch in the same district.

As stated in previous correspondence after the classification plan submitted by your bank, including salary ranges, has been approved by the Federal Reserve Board, you will be authorized to promote employees within a given grade and from one grade to another without securing the Board's approval, with the understanding, of course, that all employees will be engaged upon the work called for by the classification plan, and that they will not be paid salaries in excess of the maximum salary provided in the plan without the Board's approval. After this new plan is in operation it will still be necessary for you to submit reports to the Board for approval, annually or perhaps oftener, showing actual salaries paid to employees and changes during the report period. You will be advised of the details to be covered in these reports at a later date.

By order of the Federal Reserve Board.

Very truly yours,

E. M. McClelland,  
Assistant Secretary.

Enclosure.

TO GOVERNORS AND CHAIRMEN OF ALL FEDERAL RESERVE BANKS.

April 10, 1929.

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REPORT OF COMMITTEE ON CLASSIFICATION OF PERSONNEL  
AT FEDERAL RESERVE BANKS

Federal Reserve Board,  
Washington, D. C.

Gentlemen:

Pursuant to the Board's letter of March 14, 1929, (X-6267), the Committee on Classification of Personnel at Federal Reserve Banks held a meeting at the Federal Reserve Bank of Chicago on Monday, April 8, 1929. The meeting was called to order at 10:00 A.M., with Mr. M. J. Fleming acting as temporary Chairman.

Upon motions, Mr. M. J. Fleming was elected Chairman of the meeting and Mr. J. S. Walden, Jr., was elected Secretary. The full committee consisting of the following representatives of the various reserve banks, was present:

Boston	W. W. Paddock
New York	L. R. Rounds
Philadelphia	W. H. Hutt
Cleveland	M. J. Fleming
Richmond	J. S. Walden, Jr.
Atlanta	Creed Taylor
Chicago	J. H. Dillard
St. Louis	O. M. Attebery
Minneapolis	B. V. Moore
Kansas City	C. A. Worthington
Dallas	R. B. Coleman
San Francisco	C. E. Earhart

Mr. E. L. Smead of the Federal Reserve Board, and Mr. S. F. Gilmore of the Federal Reserve Bank of St. Louis were also present at the meeting.

The Chairman called upon Mr. Smead to outline the position of the Federal Reserve Board with respect to the approval by the Board of salaries proposed by the various Federal Reserve Banks for their employes and the purposes which the Board had in mind when it asked that the Committee be appointed. He stated that in order that the Board might be in a position to more adequately and intelligently discharge its responsibility of passing upon the salaries of employes at the Federal Reserve Banks, and also to facilitate the work of the banks in making their proposals for salary adjustments, it would seem desirable to analyze each job in the banks and wherever practicable, provide a salary range for each job.

Mr. Fleming, Chairman of the Sub-Committee, reviewed briefly the work of the Sub-Committee and stated what had been accomplished by the Sub-Committee, leading to the necessity for calling a meeting of the full Committee.

It was suggested that the members of the Committee representing those banks which have a definite plan of job analysis and classification of employes in operation at the present time, give a brief outline of the plans under which they are operating for the benefit of representatives of banks which are not operating under any such plan. Mr. Rounds outlined the plan in operation at the Federal Reserve Bank of New York, Mr. Fleming the plan proposed by the Cleveland reserve bank, and Mr. Dillard the plan of the Chicago reserve bank.

Each member of the Committee was then called upon to give a brief account of the system employed in his bank of adjusting the salaries of employes. The system in effect at his bank was outlined by each member of the Committee, and each member was called upon to give an expression of his views and opinion of the proposal for a job analysis and classification of employes according to jobs. While a few of the members, particularly those representing the smaller banks, felt that adequate supervision was being given to the consideration of salaries in their banks, it was agreed by each member that a plan of job analysis and classification of employes offered no administrative difficulties, and all members expressed themselves as being favorable to the adoption of a plan. It was felt that experience might prove that each bank, regardless of its size, might be materially benefitted in its work of salary administration by using such a plan, and therefore each bank should heartily co-operate in its adoption, looking to probable benefits to be derived, as explained by representatives of those banks which are now operating under a job analysis plan.

Upon motions duly seconded and carried, it was voted unanimously-

(1) That a plan of job analysis and classification of employes similar in scope and purpose to that outlined by the Board and explained in the letter dated October 9, 1928, addressed to each Federal Reserve Bank by the Chairman of the Sub-Committee, should be adopted by each Federal Reserve Bank.

(2) That it is impracticable to devise a uniform plan for use by all Reserve Banks and Branches, and therefore each bank should analyze the jobs and classify the personnel as they exist in the individual bank or branches and submit its own plan to the Federal Reserve Board for approval.

(3) That in addition to the duties of each job, the qualifications required for each job should be included in the plan.

(4) That a minimum and maximum salary for each job (other than appraised jobs) under each group classification should be established.

(5) That all jobs as far as possible should be classified under the general scheme of group and grade classifications and appraised jobs, that is, jobs considered to come under the appraised group, should be kept to a minimum.

(6) That each bank in submitting its analysis of jobs, as the jobs exist in the individual bank or branch should use the form adopted by the sub-committee as revised, in requesting information from each bank. This form is designated as "Form A", and inasmuch as it was printed at the printing plant of the Federal Reserve Bank of Cleveland, and the type is still standing, Mr. Fleming agreed to the suggestion that the Cleveland bank furnish each other bank with an appropriate supply of the form for the purpose of submitting its plan.

(7) That any plan adopted by any bank should, for the present time at least, provide a maximum salary for each job based on the duties of the particular job, and no provision should be made to pay salaries above the maximum in recognition of the length of service of any particular employee. It was felt that inasmuch as the reserve banks are comparatively young institutions and the necessity for the recognition of length of service has not been pressing up to this time, this feature of any plan might be considered and taken up with the Board at a later time.

Respectfully submitted:

(S) M. J. Fleming  
Chairman.

(S) J. S. Walden, Jr.  
Secretary.