



2008

MISSOURI QUALITY AWARD RECIPIENT

The Federal Reserve Bank of St. Louis

On any given day, the more than 1,000 employees of the Federal Reserve Bank of St. Louis (the Bank) and its branch offices located in Little Rock, Louisville and Memphis are serving constituents located in parts of seven states that make up the Eighth Federal Reserve District by helping to manage and stabilize the \$14 trillion U.S. economy by advancing monetary policy with a focus on maintaining low inflation; interacting with the U.S. Treasury and Federal Reserve staff to ensure that the Federal Reserve System is effectively serving as fiscal agent and depository to the Treasury; fostering safe and responsible banking practices through its ongoing examinations of 95+ state member banks and supervision of 600+ bank holding companies and other related entities throughout the Eighth District; processing millions of paper checks and pieces of U.S. currency each day, helping to ensure that the U.S. payments mechanism functions smoothly and facilitates healthy economic activity; developing relevant community economic development and financial education programs and sharing beneficial regional economic research with the public, including bankers, business and government leaders, educators and community development practitioners, helping to foster an economy operating at maximum sustainable capacity.

The core values that guide the Bank's organizational decisions and actions are:

- **Commitment to the Public Interest:** Being mindful of its legacy and opportunity to positively influence society, the Bank endeavors to provide outstanding service to the public, U.S. government, and the financial community that is consistent with its mission.
- **Integrity and Respect:** The Bank seeks to operate in a transparent manner and adhere to the highest standards of honesty, fairness and discretion in its dealings with the public, business partners and its colleagues.
- **Independence of Views:** The Bank seeks input from a variety of sources and value professional judgment.
- **Innovation:** The Bank strives to foster an innovative culture where creative ideas for improvement are encouraged.
- **Teamwork:** The Bank values the diversity of one another and the benefit derived from collaboration, teamwork and open communications.
- **Ownership:** The Bank values personal ownership and accountability as a key to fostering high levels of performance.
- **Customer Satisfaction:** The Bank values its customers; whether external or internal customers, the Bank

wants to ensure they are receiving the best possible service in the most efficient way.

The Bank seeks to be a highly visible and vital community asset, both as an employer and as a resource for regional economic research. In addition, the Bank provides economic and financial education and community economic development services to help its constituents improve the quality of their economic decision making. **The St. Louis Fed strives to make a difference in its communities through events like Exploring Innovation in Community Development Week, hosted by the Bank's Community Development department in April 2008. Local and national experts came together for workshops and seminars to share knowledge about how to improve low- and moderate-income neighborhoods.**



Senior leaders routinely assess the environment in which the Bank operates. Strategic planning, enterprise risk management and organizational performance assessment processes are closely integrated.

The Bank uses formal and informal means to foster a high-performing and motivated culture. Individual and department objectives, as well as individual performance and reward processes, are aligned with the Bank's strategic direction and goals. This approach enables employees to understand how they contribute directly to the Bank's success.

The St. Louis Fed's benchmark provider vision serves as a clarion call for staff to continually enhance performance. The Bank's process-improvement methodology involves planning, implementing, and monitoring steps, as well as following up on additional opportunities for improvement. The use of action planning teams, a focus on innovation, and a commitment to organizational learning are ingrained in the Bank's culture.

- Action planning teams (APT) are created from grass-roots interest by cross-functional staff and management teams and are empowered to address issues and/or improve processes.

- The Bank’s approach to innovation reflects a top-down, bottom-up methodology that incorporates feedback from customers, a work environment where ideas are welcome, a culture of collaboration, and recognition that both strategic and incremental innovation are beneficial. Innovation and knowledge management tools are available to foster discussion around new ideas and to leverage institutional knowledge.

- The Bank enables organizational learning (which is supplemented at the division/department/work unit level) through formal training opportunities that are complemented by knowledge sharing and best practice exchanges via roundtables, participation on local and national workgroups, Info Shares and Lunch & Learns.

The Bank approaches all of its activities with sensitivity toward maintaining the Bank’s reputation as a trusted, highly credible public service organization that is neutral and objective. Strong relationship management is the cornerstone of the Bank’s customer service culture. In each of the Bank’s divisions, employees are expected to immerse themselves in the business of the customer. In addition to regular interactions with constituents, formal events occur to promote information exchange, feedback and relationship building. To maintain focus on customer needs and improve services, each business area annually prepares a service improvement plan. As a part of this plan, Delivery +1 objectives are established to target improvement of existing services or development of new services.

Recognizing that exceptional performance requires exceptional employees, one of the Bank’s goals is to foster an environment that attracts and retains outstanding employees who can learn, grow and succeed. Development plans are created annually for all employees, based on the underlying framework that employees manage their own career, with the support of management. Formal development conversations keep leaders and employees in touch with employee strengths, development opportunities, and potential matches for future advancement. Biannual employee-opinion survey results provide comparative measures against industry peer groups regarding the Bank’s organizational climate, targeting topics such as employee satisfaction, communication and employee engagement.

Jim Bullard, St. Louis Fed president and CEO, speaks to employees at a town hall meeting. As part of its commitment to maintaining open communications with employees, the Bank holds two rounds of town hall meetings annually. At the beginning of the year, employees gather for a Bank-wide town hall. Later in the year, individual divisions hold

their own meetings, where employees can ask division and Bank leaders direct questions in a more intimate setting.

The Bank strives to reflect through deeds, not just words, that it is among the best in the Federal Reserve System at what it does. The Bank accomplishes this



through understanding where it stands relative to others, establishing a vision for where it wants to be, setting targets for improving in all areas of performance and revisiting metrics to ensure that the Bank is effectively gauging ongoing progress.

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