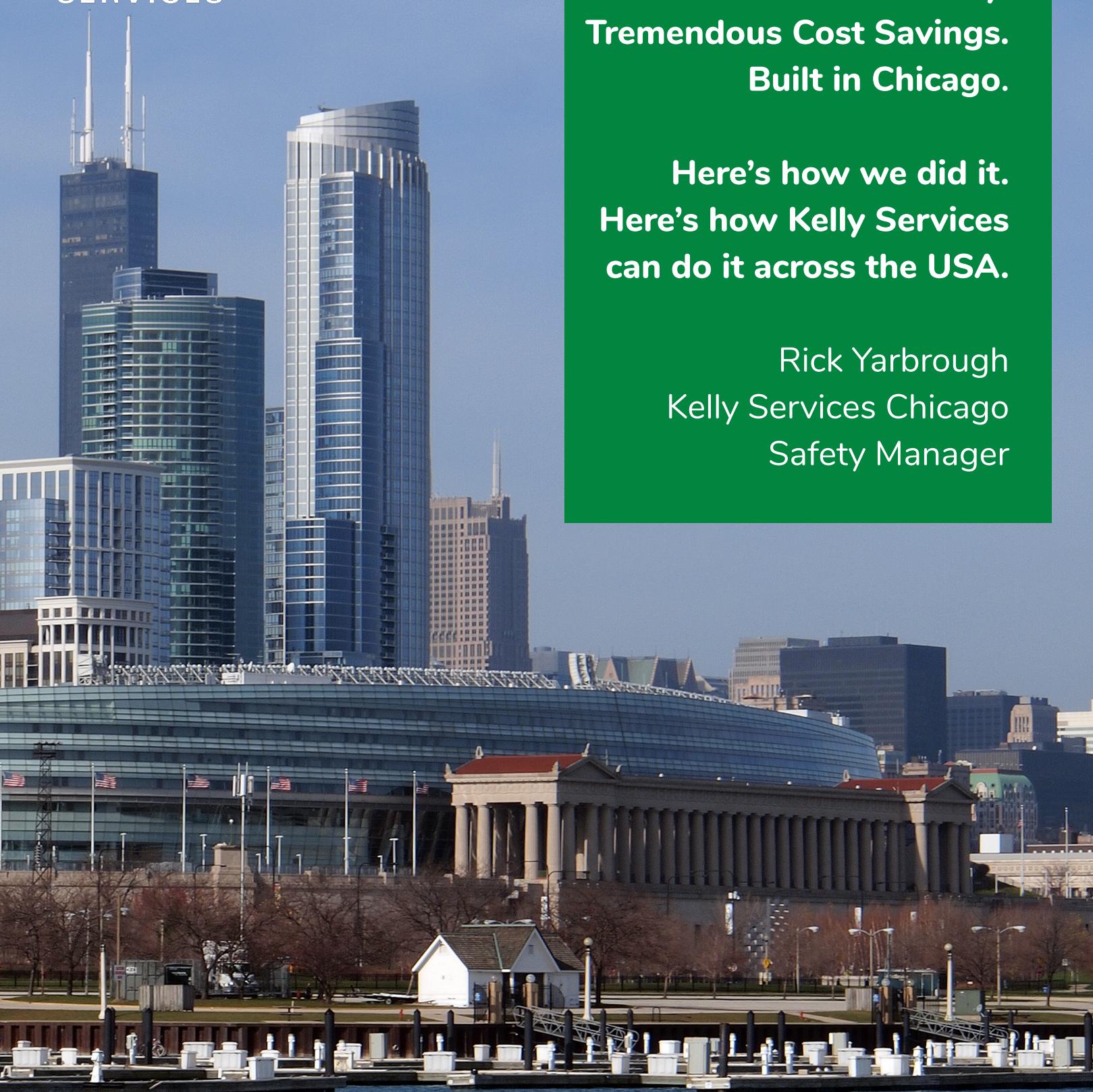




**Data-driven safety.
Tremendous Cost Savings.
Built in Chicago.**

**Here's how we did it.
Here's how Kelly Services
can do it across the USA.**

Rick Yarbrough
Kelly Services Chicago
Safety Manager



THE FIRST BIG STEP TO **EMPLOYEE SAFETY IS THE LID INTERVIEW FORM WE DEVELOPED**

The LID Interview Form was originally developed by Terry Hauer (Kelly Services Corporate) for Joy Golaszewski and the ITW team to use as a tool to find the best candidates. The ITW locations are in the south suburbs of Chicago, and make car parts for many automobile manufacturers.

Early Success using the form at Scholle

Starting in 2012 Russ Conte adapted it for use at Scholle Packing (now Scholle IPN) which started the evolution of the form. Scholle Packaging achieved an unprecedented safety record of 465 days without a recordable, reportable or lost time incident for all personnel in the plant. This is in large part due to the safety brought by the Kelly Services employees who were hired using the LID Interview Form.

LID Interview Form helps reduce Chicago Workers' Compensation

I (Rick Yarbrough) became aware of the success of the LID Interview Form at Scholle Packaging and I worked to get the form approved by corporate. This was done through a series of corporate multi-departmental/field team conference calls with revisions based on corporate recommendations. The form was approved for use in February, 2015. Minor updates to the form occurred 2015–2018. The form was again approved by corporate legal in July 2018 for electronic use.

Later success at ITW

Next the updated LID Interview Form was brought to ITW. The LID Interview Form was used to evaluate candidates for temporary-to-hire opportunities. ITW along with Kelly Services worked to achieve an unheard of 50 consecutive temporary-to-hire conversions for light industrial workers. The LID Interview Form was critical to predicting 50 consecutive successful hires at ITW.

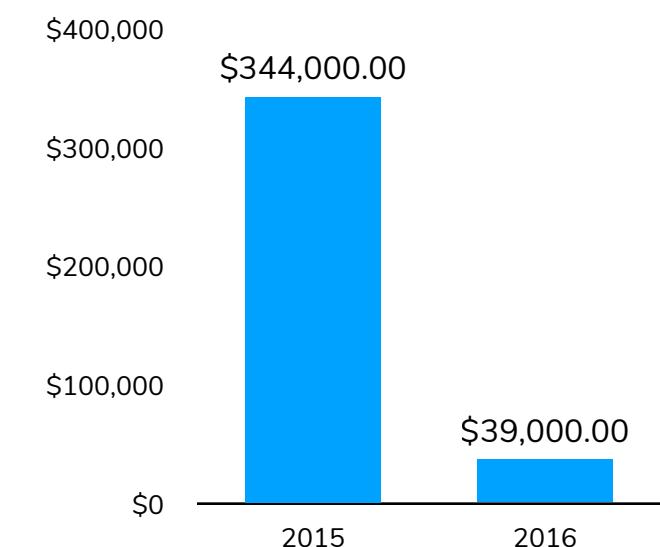
The Chicago territory has seen an extremely positive trend in workers' compensation and there is a very strong correlation to the use of the LID Interview Form. 2018 was a banner year with the lowest WC costs and costs as a % of wages in over 4 years.



Phenomenal decrease in one year in workers' compensation costs at one branch (2459) once they started using the LID Interview Form

The Romeoville, Illinois branch (2459) had \$344,000 in workers' compensation expenses in 2015. Their use of the LID Interview Form contributed to a 88.66% decrease in workers' compensation costs in 2016 vs 2015.

Branch 2459 Workers' Compensation costs. Lower is better.



Chicago: Using data and frontline feedback to optimize employee safety

Our biggest safety improvement in Kelly Services Chicago—by far—was training staff how to do structured interviews for our light industrial candidates using questions that are data driven, have the highest predictive power, objective, neutral, unbiased, and job related while continuing to revise the form based on data, evidence and feedback from the front line staff.

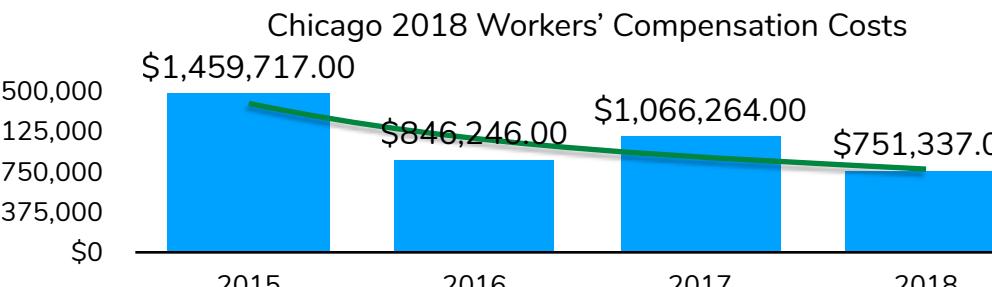
The result is our LID Interview Form



Chicago 2018 Workers' Compensation as a % of Wages



Equation of Power Regression Line:
 $y=0.0367x^{0.4947}$
Correlation = 88%



Equation of Logarithmic Regression Line:
 $y=-435728\ln(x)+1.381*10^6$
Correlation = 69%



BY THE NUMBERS IN 2018: Financials and KPIs

	Used LID Interview Form	Did not use LID Form	Comment/Summary
Financials	WC Costs as a % of Wages (lower is better)	1.82%	2.34%
	WC Total Costs (Lower is Better)	\$320,000	\$414,945
	Average Hourly Pay Rate (Higher is Better)	\$13.47	\$13.06
	Number of Filled Assignments (Higher is Better)	3,809	3,590
Key Performance Indicators	Customers lost due to service	0	4
	Delivery Rate	84%	93%
	First Day Arrival Percentage	88%	79%
	Most common outcome	39.88% Successfully Completed	35.49% Ended due to Performance
	2nd Most Common Outcome	35.99% Ended Due to Performance	32.40% Removed Self
	Least Common Outcome	21.11% Removed Self	31.89% Completed Successfully
	<p>#1 Outcome is Completed Successfully for candidates hired using the LID Interview Form.</p> <p>However, successful completion is the least common outcome for candidates hired without using the LID Interview Form. Their most common outcome was Ended Due to Performance.</p> <p>11% More Likely to arrive on their first day for candidates hired using the LID Interview Form</p>		
Claims	Litigated Claims	4	3
	High cost claims (over \$30k)	0	4
	Total Claims	36	32
	Average Cost per Claim	\$8,888.88	\$12,967.03
Skills	<p>\$4078.15 saved per average claim cost for individuals hired using the LID Interview Form.</p> <p>0 High Cost Claims all year</p> <p>for employees hired using the LID Interview Form. 100% of high cost claims were with employees who were not hired using the LID Interview Form.</p>		
	Top Skill Set Distribution	Light Industrial: 59.21% Office: 17.09% Electronic Assembly: 12.75% Other: 12%	Light Industrial: 51.42% Electronic Assembly: 37.93% Other: 11%

Example: Amputation that cost \$372,843.17 by not interviewing using the LID Interview Form

Exodus Williams was interviewed by Russ Conte for possible assignment using the LID Interview Form in 2012. Russ decided not to place Exodus at Scholle for lack of attention to detail, and not following rules, based on the interview using the LID Interview Form. Given the increased risk at Scholle assignments, it was determined that Exodus would be a better fit at Kelly Services customers that had less advanced job requirements.

Exodus remained available and was placed on assignment at a different customer on 2/19/2015 as a machine operator. Exodus was not screened using the LID Interview Form for this assignment. The injury occurred 3 months into his assignment.

It was determined Exodus was provided a tool (poker) to unjam the machine through a pass-through. On the night of the injury a jam occurred, Exodus could not locate the poker and stuck his hand through the pass-through tripping the light guard on the robotic press. The company was cited by OSHA for improper machine guarding and lockout/tagout procedures.

The LID Interview Form he filled out at Scholle indicated Exodus was not a good candidate for these types of roles where very close attention to detail and following the rules is of upmost importance.

As a result of the injury that occurred on 5/22/2015, three fingers on his dominant hand were crushed with extensive thermal nerve damage. The Loyola burn-trauma team was not able to save Exodus' fingers.

Costs to date on this claim: \$372,843.17.

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Example: Hiring an applicant with 16 prior Workers' Compensation Claims under 3 names by not using the LID Interview Form

Ethel Pitts-Smith was hired by Russ Conte to work at Sage/Stryker Products in Cary, Illinois. Sage/Stryker Products makes medical devices, and was in a large ramp-up, needing many light industrial workers.

Ethel was hired without using the LID Interview Form. She went through the regular Partnership hiring process, and passed everything. She reported a workers' compensation claim shortly after she started working at Sage/Stryker Products.

I (Rick Yarbrough) did an investigation and determined this employee filed 16 prior claims under three different (but related) names starting in 1989. She received services and a settlement check for all but one of the 16 prior claims.

While it is illegal to make hiring decisions based on prior claim history, we now know critical points in her work history would have been revealed using the LID Interview Form. It would have raised many red flags to any interviewer trained to use the LID Form. Her LID Form alone would have been sufficient to determine that she was not appropriate for our openings, without needing to ask about prior workers' compensation claims at all.

We've had virtually zero workers' compensation predators hired using our LID form, and it's very likely this claim could have been completely avoided.



Signed Testimonials from Chicago front line staff about their experience using the LID Interview Form

I use the interview sheet for all candidates, regardless of position. It provides me with details and talking points that lead to more information from the candidates. It also allows us to stress the importance of attendance and safety. Many of the questions allow us to dig deeper and find issues and safety concerns. Because of the questions on the interview sheet, employees have admitted to lawsuits, criminal activity, safety violations, and previous terminations due to attendance.

As for the good stuff, we are also able to brag about our employees to our clients and discuss work awards, promotions, and accomplishments such as serving on the safety committee and promotions.

Thank you,

Jennifer Conyers
Senior Recruiter
Kelly Services, Inc

I can't remember how we used to conduct interviews before this form! I can't live without it!

It really helps draw more info out of the candidate, and helping us decide if we can hire them.

It makes the candidate talk more too, instead of just a Kelly orientation from me.

Nancy C. Spisak
Recruiter
Kelly Services
460 North Weber Road

Note: Jennifer and Nancy's branch, 2459, went from the biggest financial loss in Chicago in 2015 to Branch of the Year in 2016, mainly due to their use of the LID Interview Form, according to their branch manager, Jennifer Lammers (now Area Manager with Chicago). They continue to achieve excellent financial results.

The LID interview sheet has helped me in several aspects of interviewing and recruiting. The LID interview sheet is a good predictor for whether a candidate will work out on an assignment or not. It asks how often you call off for work. When a candidate answers how frequently, it is a good indicator if they will have attendance issue in the future or not.

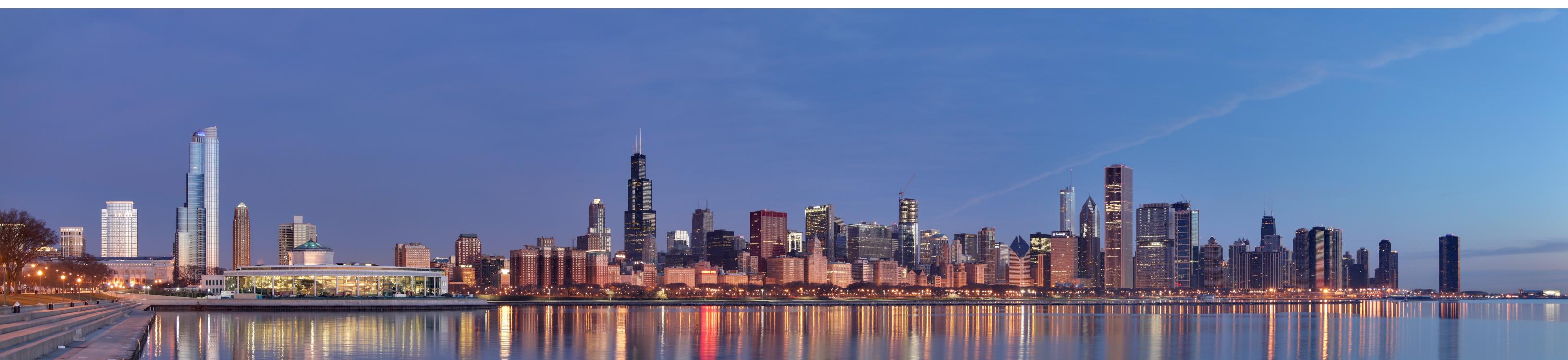
You can also see if the candidate is safety conscious . There are several questions asking what you would do in safety related situations and you can see if a candidate takes safety seriously or not. This is essential in the hiring process. The form asks several questions in regards to working with others and fixing mistakes. You can see if a candidate enjoys working with others and if they are honest about admitting to a mistake that needs to be brought to a supervisor's attention.

Using the interview form has helped me determine if candidates will have strong attendance, are safety conscious, how they work with other people and their overall morals, ethics and performance on a job. It leads me to ask additional questions during the interview and determine whether I should hire them.

Thank you,

Kayla Klopp | Senior Recruiter

Semi Annual Moment Maker Winner 2018
Recruiter of the Month March 2018
Moment Maker Award March, April, June & July 2018
Chicago Recruiter \$10k Club January, February, March, April, May
June, July, August, September, October, November and December of 2018
Moment Maker Award July & November 2017
Employee of the Month July 2016
Highest Margin Leader February 2016
Perfect Attendance 2016



Using data and evidence to solve the other big workers' compensation expense: Predators

On Wednesday, March 25, 2015, Jennifer Lammers came to the Frankfort Branch, where she was the Branch Manager. Jennifer was also the Branch Manager at our Romeoville Branch, and was very instrumental in the development and testing of the LID Interview Form with her staff.

"If the goal is to get better hires in a cost-effective manner, it's more important to scare away candidates who don't fit than to jam more candidates into the recruiting funnel."

Peter Cappelli
Harvard Business Review
March, 2019

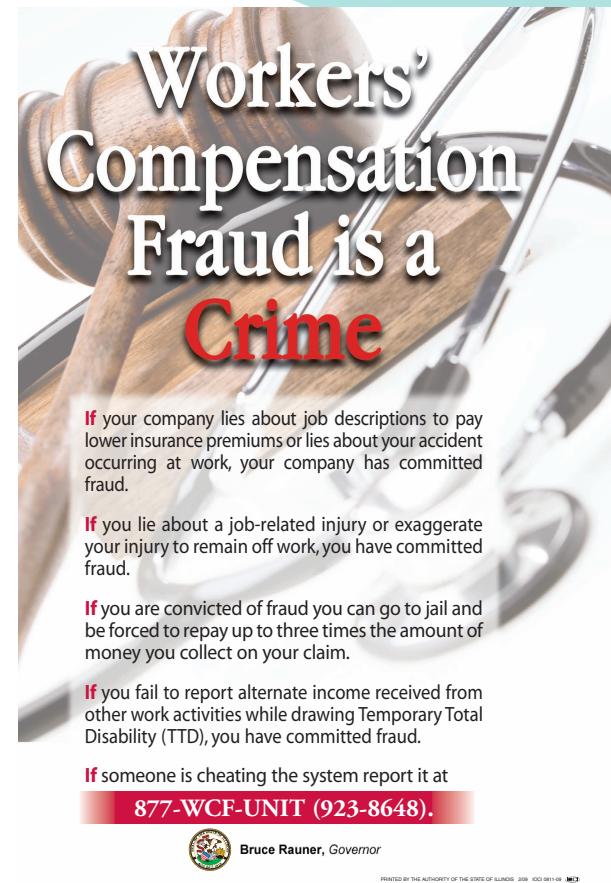
suspicious elements and the employee had filed previous claims against other employers.

Russ Conte was in the office and overheard Jennifer. He spent all day (and night) trying to determine what questions or tests would predict workers' compensation fraud. In the end nothing was valid.

Then he realized there was a poster in one of the accounts he previously managed for Kelly Services (Quad Graphics) that was from the State of Illinois. It simply said that Workers' Compensation Fraud is a Crime.

The next day two candidates were interviewed. They were given the LID Interview Form, and Russ read each of them the "Workers' Compensation Fraud is a Crime" poster and gave them a copy. They each walked out of the application process and never returned.

I (Rick Yarbrough) checked the IWCC data base to see if they had any prior workers' compensation claims, and one of the applicants had a very suspicious prior claim with another Illinois employer. The poster was approved by our corporate Workers' Compensation director and implemented into the safety orientation process. This has resulted in nearly total elimination of suspicious workers' compensation claims for Chicago branches, and significant cost savings for Chicago.



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Chicago Safety Report 8

Current Use of the LID Interview Form in Chicago

Branches are currently using the paper version of the LID Interview Form. Partnership management decided not to use the LID Interview Form.

Electronic version was rolled out 1/31/2019 and so far the feedback is mixed. The electronic version of the form tends to be hard for the employee to complete and either email back to the recruiter or print and bring in the completed copy.

Branches are using the paper version until a better electronic version can be developed.

The paper version is completed in the office when the candidate arrives for the interview and takes about 7-12 minutes to complete (candidate completes not the recruiter). The completed form is used during the interview along with the job the candidate is seeking to determine if the candidate is a good fit. If not, if the candidate is a better fit for a different assignment or if the candidate is considered a "no hire" for Kelly Services based on the interview.

Future Planned Use of the LID Interview Form: Advanced analytics, machine learning and integration of AI including predictive analytics

Russ Conte is currently working on a phone friendly version that will integrate with a secure MySQL database, allowing Russ to do predictive and prescriptive analytics and advanced machine learning with the data. We will be able to greatly improve the statistical reporting and analytics from the LID Interview Form with the phone friendly version.

We will conduct a trial run with the phone friendly version in Chicago with 1-2 recruiters familiar with the paper version.

We will revise per trial results and submit final copy for consideration and approval.

A more user friendly candidate hiring/tracking system is replacing the current version of KSN (implementation 2019) which is predicted to create a better candidate hiring experience. This should work favorably with the administration of the LID Interview Form (paper and phone friendly versions).

Future results will include using Predictive Analytics and Machine Learning to improve our results in Chicago

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Pros and Cons of the LID Interview Form

Pros of the LID Interview Form:

Questions on the LID Interview form are job-related, in full compliance with UGESB, the ADA, the ADEA, the EEOC, meet the guidelines outlined in e440 (Guidelines For Non-Discriminatory Interviewing) and have been reviewed and approved by our corporate Law Department.

The LID Interview Form provides recruiters with a vehicle for a **structured and consistent interview process** for light industrial candidates. Structured interviews provide the highest predictive validity of any screening tool.

Strong correlation between the use of the LID Form and reduced injuries.

With the recent structure change allowing recruiters to **focus** on recruiting as their primary role, the LID interview form will be an **invaluable** tool and greatly improve the light industrial hiring process.

There have been no adverse actions resulting from the use of this form to date.

Once the phone-friendly version is ready it will be extremely easy to use with remote candidates.

Recruiters may feel they have to interview more candidates to fill the open orders due to the form vetting out many applying (the truth is selecting the right candidate for the position will result in a better fit, a better candidate experience, lower turnover, more conversions and a more satisfied customer). As recruiters evolve into a more specialized role, the LID Interview Form will prove to facilitate a better interview experience with positive results for both the customer and candidate.



Perceived Cons of the LID Interview Form:

Candidates complain the Kelly Services e-registration takes too long and then having to complete the LID Form is additional work and time. A more user friendly candidate hiring/tracking system is rolling out soon—this is predicted to result in a better candidate experience with the LID Interview Form.

Current Electronic version is **not user friendly**.

Institute training to ensure the form is used consistently, administered fairly and providing the best results based on employee/customer satisfaction, lower turnover, better customer/employee retention and positive WC Trends.

Perception of Overlap & redundancy with Kelly Services e-registration & the LID Interview Form (there is only 1 question repeated from the Kelly Services e-registration to the LID Interview Form). The LID Interview Form compliments the Kelly hiring process allowing for an overall better candidate experience.

Will need to ensure interview notes/copy of the completed form is entered into KSN/New Applicant Tracking System to avoid using the form more than once on the same candidate within a specified time frame (6 months etc.).

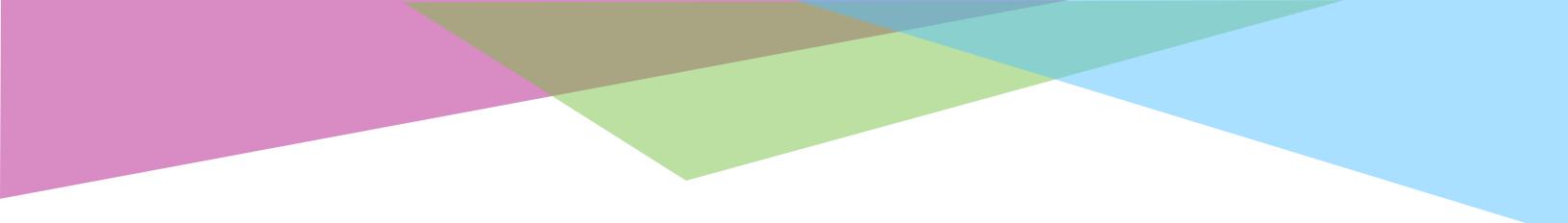
Obstacles don't have to stop you. If you run into a wall, don't turn around and give up. Figure out how to climb it, go through it, or work around it.

Michael Jordan

How Chicago uses data, evidence, and front-line feedback to address the Cons of the LID Interview Form:

I meet informally with many of the recruiters on both the Branch and Partnership sides of the business. They sometimes suggest changes to the LID Interview Form. Those recommendations are tested empirically, and are implemented if they are strong predictors of the desired outcome. If not, we work to understand why the recommendation is not a strong predictor, and what we can improve to make it the strongest possible predictor.

This method has helped us improve the LID Interview Form well beyond its initial presentation to us in Chicago.



Recommendation: Turn the LID Interview Form and our data–driven and evidence based hiring process into a Kelly Services competitive business advantage with light industrial customers across the country.

Many customers say the current business environment is very challenging to hire good candidates. While the LID Interview Form does not produce more candidates, it does greatly reduce their risk of accidents, increases their probability of successfully completing their assignment, and greatly reduces the probability of the assignment ending for poor performance.

This can be a data driven, statistically valid competitive advantage that we can monetize with light industrial customers across the country.

The ultimate goal is to have the LID Interview Form (paper/electronic/phone) integrated into the Kelly Services light industrial hiring process.

Feel free to contact me if you would like to discuss this in more detail.

Sincerely,

Rick Yarbrough
Manager, Kelly Services Safety Chicago
(815) 464–5328 (office)
(219) 577–3999 (cell and text)