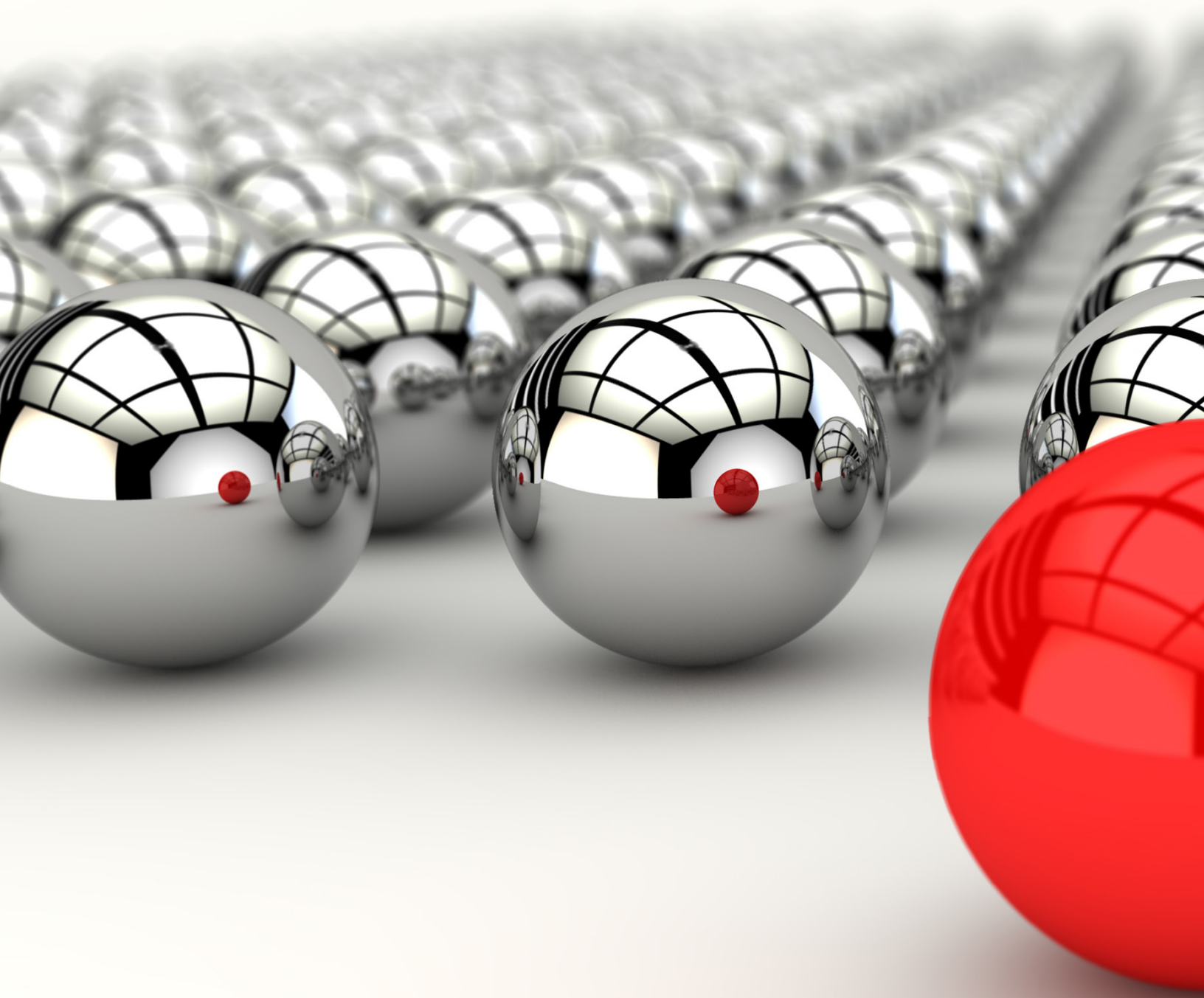


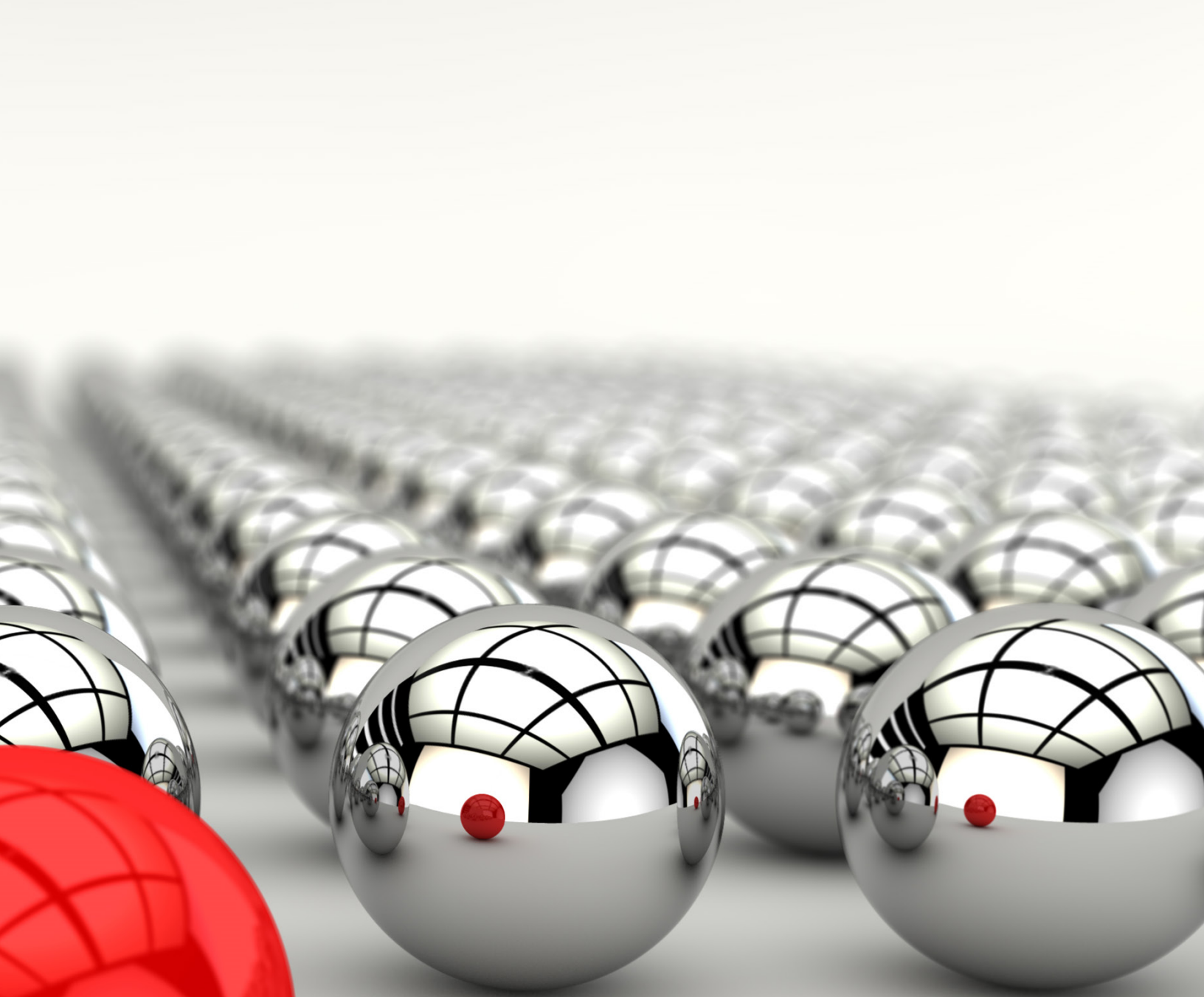
A professional headshot of Teri Plummer McClure, a woman with short, dark brown, wavy hair and a friendly smile. She is wearing a gold and black patterned jacket with black leather-like trim at the collar and cuffs. Her accessories include gold hoop earrings and a gold necklace with three interlocking circles. The background is a plain, light gray.

# On Leadership

*An Interview with*  
**Teri Plummer McClure**  
Chief Human Resources Officer  
and Senior Vice President,  
Labor, United Parcel Service  
of America, Inc.

By Veta T. Richardson





**A**t a company with 444,000 employees spread around the world, there's never a slow day for the executive in charge of human resources and labor relations. Teri Plummer McClure, chief human resources officer and senior vice president, labor, at UPS, manages these busy departments as the global leader in logistics and transportation of packages and freight. Prior to her current role, she served as UPS' chief legal officer, and was an active ACC member. In these leadership positions, as well as her role as an independent public company director, McClure has had ample opportunities to influence the "tone from the top" for workplace ethics and culture.

In this excerpt from a recent interview and webcast with ACC President & CEO Veta T. Richardson, McClure also shares a bit of her professional journey, from the legal department to human resources, and offers advice to those looking to claim their seat at the table — and the executives, board members, investors, and regulators who would be best served to make room.

## Career beginnings, transitions, and expanding leadership roles

**Veta T. Richardson:**

Ms. McClure, thank you for sitting down with me. You have had such an inspiring legal career, and, from what I've read, your skills come naturally. As I understand it, your grandfather was a lawyer, and largely self-taught. Without attending law school, he sat for and passed the bar exam, which is an amazing accomplishment. I guess you weren't the first brilliant legal mind in your family! Tell us about your grandfather. Did he influence your desire to become a lawyer? Or what did influence your career choice?

**Teri Plummer McClure:**

Thanks, Veta. Yes, my grandfather did have a big influence on my legal career. And it's a little bit of a story because as you mentioned, my grandfather sat for and passed the bar exam. But, as an African American male in Kansas where I grew up, he really didn't have the ability to support himself as a lawyer at that time. So, he went to work for the US Postal

Service. He worked there his entire career, retired at the age of 62, and then hung out his shingle and began practicing law. And he practiced for about 10 years.

**“Some people are very comfortable with that ability to assess facts very quickly, apply the law, give advice, and move forward, and some people are not. In my legal department, that was really the determiner of success. Could you respond to the needs of the business, give them good solid legal advice, but not tie them up trying to be exhaustive on an issue? Can you communicate to people who don't have a background in law about the law?”**

He had his little store front office. We used to tease him and said he used to just go down there and watch “All My Children.” But he did practice — mostly family law and issues of that nature.

I think what really influenced me wasn't as much his practicing of the law, but his

ability to be a critical thinker. I constantly remember my entire life, sitting in his family room debating an issue. I don't care what it was; it had to be a debate. He was always challenging our process of thinking and challenging our conclusions. He taught us how to be very critical thinkers and that was extremely influential in how I approached issues in the future. My husband says I still debate everything!

**VTR:** I understand that when you graduated from law school, your first stop was actually at a law firm. What influenced your decision to make that transition in-house? Did you decide you wanted to go in-house? Or did they come a-knocking and make you an offer that was just too attractive?

**TPM:** During college, I knew I wanted to go to law school, but my mom encouraged me to keep my options open. So, I interned at a business program, and the last year of that program, I had exposure to an in-house legal department. So I knew that this intersection between law and business interested me.



I even remember writing my law school essays about the fact that I wanted to serve in a position where I could help companies learn how to grow and be profitable while adhering to the law ... I always had that appreciation for the business side, and the implications for business that the law provided.

**“It’s always front of mind for me — not just responding to the immediate issue, but also making sure you understand how the people in the organization are going to understand and respond to the policies or changes that you’re putting out there.”**

I started in private practice and was practicing for about seven or eight years when I did get the call. One of the lawyers I had previously worked with simply said, “My company, UPS, is moving to Atlanta; they’re opening up their corporate headquarters. If I were 10 years younger I’d take the job.” He said, “I can’t take it, but I think you’d be a great addition to their legal department.”

**VTR:** As you made that transition, what good advice did you receive about the differences in practice environment moving from a law firm to in-house practice?

**TPM:** One of the things I learned very quickly is that when you’re in a law firm, you have to go deep in a case or on an issue. You have to turn over every leaf and anticipate changes in direction in different fact patterns. When you’re in a legal department, you have to make decisions based on limited information. You have to trust the information that’s provided by your outside counsel and by your business teams. You have to learn how to act without the full scope of information. In a business, you have to work more quickly, much more quickly.

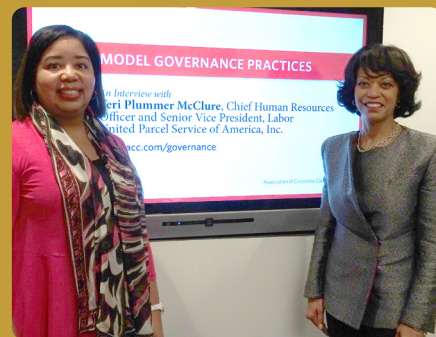
So it becomes crucial that you have the ability to really assess facts quickly, draw quick conclusions, ask good questions, know what information you need and know how to put aside the information you don’t need, and be able to provide reasonable advice. Some people are very comfortable with that ability to assess facts very

quickly, apply the law, give advice, and move forward, and some people are not. In my legal department, that was really the determiner of success. Could you respond to the needs of the business, give them good solid legal advice, but not tie them up trying to be exhaustive on an issue? Can you communicate to people who don’t have a background in law about the law?

**“I think the ability to drive outcomes is very important — setting a goal and implementing a strategy and then being able to drive to that outcome. The best in-house lawyers are very good at that.”**

**VTR:** A few years into your time at UPS, you took on special assignments including operational roles with a focus on logistics and distribution. How did you distinguish yourself within the law department, to be offered positions outside of it?

**TPM:** One of the ways in which I approached the position was to see where I could add value



and to see where there were gaps that I could fill. I saw that by working with HR, we could resolve issues on the front end as opposed to just litigating on the back end. I really tried to be a problem solver. And I focused on not just doing the job, but really trying to add value in a unique and different way.

**“At UPS, the general counsel’s role was always viewed as not just legal, but also as a business strategist. And so when you come to the table as a member of the management committee, you’re expected to be a well-rounded businessperson looking out for the broader interests of the business as well as bringing your specific expertise to the table. And it’s great when the general counsel is in that role because you’re not only interested in mitigating risk for the organization and also ensuring compliance, but you’re trying to help grow the business.”**

I wanted to solve a problem or create a different process, or try to find ways to reduce costs in the legal department or address issues before they became legal cases. It allowed people to see me more broadly than just an attorney, but really as someone who saw the interests of the company as priority.

At one point in my career, the head of the legal department came to me and said, “Look,

if you really are interested in having a career beyond the legal department at UPS, you need to go out and learn the business. And if you’re willing to go out and take that risk, we can’t guarantee you anything, we’ll have to fill your job, but if you take on that assignment, we think that will position you for greater opportunities. I can’t guarantee anything, but that’s the best step in order to position yourself for growth in the organization.”

It was the best decision I ever made. It was a phenomenal experience to understand the business in the corporate office and deal with things at a strategic level. We handled billions of dollar decisions — every day counts, every penny counts, every moment counts. The job helped me to understand the implications for some of the corporate policies that are initiated, understand the customer perspective, understand how employees are managed and how the rules apply to the employees on the front line. It just opened my eyes tremendously and it was an invaluable experience. It was probably the best job I’ve ever had.

VTR: I had the pleasure of interviewing Ken Frazier and asking him a similar question and he said the same thing; he describes it as stepping into a void, solving problems, and taking a risk. When we look at your bio, we see that they loaned you out to the business for a while, but they did bring you back to law – you came

back around to law as the general counsel. How did the business experience enhance your ability to be general counsel?

**“I don’t view the general counsel as someone who’s just the corporate secretary, who’s only at the table because of their corporate secretary roles, but as someone who is really meaningfully adding and contributing to the discussion around the strategy, around risk for the organization, and around growth opportunities. Someone who definitely comes across as a real player with the bigger decisions that the company is faced with. I do think that how the CEO interacts with and views the role of the general counsel definitely influences others on the team.”**

TPM: My business acumen was enhanced as a result of working in the operations. I was also much more customer focused, and realized that we need to help our business teams create solutions that are responsive to customer needs if we’re going to grow the business.

I also really understood the employee impact. Our company is largely employee based and we have a very large union. Understanding the incredible importance of driving employee engagement and ensuring that our employees are treated

well and paid fairly is crucial to the overall success of the organization.

**“Part of that’s succession planning, part of it is the due diligence of boards now, and wanting to ensure that the organization has good talent and is preparing good talent for the future of the organization. So we’re talking a lot more about that exact thing — should the board have greater interactions with the senior leadership team? And I think the consensus is drawing more and more to “yes.””**

And I think the fourth piece of it was really understanding the role of strategy for the organization and how at the senior level you are responsible for identifying the vision for the strategy. But then the challenge is executing it, getting the rest of the organization to run with you.

It’s always front of mind for me — not just responding to the immediate issue, but also making sure you understand how the people in the organization are going to understand and respond to the policies or changes that you’re putting out there.

**The role of in-house counsel continues to evolve, as do their responsibilities**

**VTR:** Currently, in addition to serving as the chief human relations officer, you have SVP responsibility for labor. Recently, we’ve observed

more lawyers being placed in roles similar to that. We’ve seen lawyers responsible for compliance and ethics, which I know you had responsibility for at one time. You had responsibility for audit. We see lawyers with corporate social responsibility. If there is a charity or foundation, sometimes that reports in. We see a lawyer’s skill sets being tapped to take on so many additional types of responsibilities today. What skills do you think that lawyers generally possess that makes them adaptable for so many different areas of responsibility?

**TPM:** I did start out just as the general counsel and then over the 10 years that I was general counsel, I assumed different responsibilities, including many that you mentioned. I think the ability to drive outcomes is very important — setting a goal and implementing a strategy and then being able to drive to that outcome. The best in-house lawyers are very good at that. I think lawyers also possess the ability to quickly assess the situation, understand the different parts of the organization. I also can’t stress enough the importance of good writing and oral communication skills and how that sets you apart in a business. I also think companies are recognizing that if you identify good, strong leaders, you can teach them substantive areas and they can then transition into many other areas ... to lead in a variety of different roles and responsibilities.

**GCs must report to the CEO, be members of the executive team, and have BOD access**

**VTR:** At ACC, we are always interested in how general counsel evolve and can positively influence corporate culture. One of the things that we’ve noticed in all the business literature is that there hasn’t been a whole lot of focus on the role that general counsel can play vis-à-vis the CEO and also in the boardroom, to serve as allies — to set the right tone from the top around corporate culture. You have a very unique vantage point having served as GC and now having worked closely with the GC, which I’m sure that you do as chief human resources officer. But you also have the perspective of serving as an independent director at a publicly held company, where you can observe the general counsel in the boardroom. One of the things that ACC believes is that the role and positioning of the general counsel is important and should be given some thought. When you were general counsel and corporate secretary, did you report directly to the CEO and have access to the board, and how did that level of engagement and access help to enhance your own leadership skills?

**TPM:** Yes, I did report directly to the CEO. I worked very closely with the CEO on board prep, on board communications, on really driving the agenda for the board and succession planning. I do think that having a strong

relationship between the CEO and the general counsel is very important, not just in the board dynamic, but for the management team. At UPS, the general counsel's role was always viewed as not just legal, but also as a business strategist. And so when you come to the table as a member of the management committee, you're expected to be a well-rounded businessperson looking out for the broader interests of the business, as well as bringing your specific expertise to the table. And it's great when the general counsel is in that role because you're not only interested in mitigating risk for the organization and also ensuring compliance, but you're trying to help grow the business.

I think it also helps how you lead your team, because you want your team to be problem solvers, you want your team to be growth minded just as much as the businesspeople are. So, I think it's very critical to be viewed as not just a lawyer or police — you know, the cop on the plaza — but really as a fellow contributor to the business success, who happens to be approaching it from a perspective of risk management and compliance. How can we use the law to help us be more competitive?

VTR: According to our most recent global CLO survey, 64 percent of chief legal officers are part of that executive management team. But that means that 36 percent aren't.

TPM: Yes, I read that statistic and I was surprised. I really was. I do think that puts the general counsel at a disadvantage if they're not at the table, and if the CEO is not viewing that role as a critical part of the management team.

### **The relationship between the general counsel and the board of directors**

VTR: You have the interesting perspective of being in the boardroom where the chief legal officer is one of a number of executives that you likely interact with as an independent director. Can you offer some perspectives on what you've observed?

**“I think the lawyers we found to be the most valuable to us and the organization were those that understood the business. They weren't just providing legal advice, but they were understanding how the legal advice was being applied; the context of the business opportunities, and challenges that our organization was facing.”**

TPM: The company that I serve on the board for is a slightly smaller organization, but the general counsel there is very active in supporting the board. I don't view the general counsel as someone who's just the corporate secretary, who's only at the table because of their corporate secretary roles, but as someone who is really meaningfully adding and

contributing to the discussion around the strategy, around risk for the organization, and around growth opportunities. Someone who definitely comes across as a real player with the bigger decisions that the company is faced with. I do think that how the CEO interacts with and views the role of the general counsel definitely influences others on the team.

VTR: So tell me, as a board member or even as someone in an executive role who has responsibilities for the board, how important is it for an executive to have a relationship with the members of the board outside of the boardroom?

TPM: I think it's critically important. But it's interesting, a lot of that depends on the CEO. I've seen CEOs that really want to control that interaction and, outside of the boardroom the only communication goes through the CEO. And then what you're seeing now in terms of best practices, I believe, are more formalized situations where the board is interacting with the senior leadership team outside of the boardroom, to actually see them in their natural environment with their teams. Part of that's succession planning, part of it is the due diligence of boards now, and wanting to ensure that the organization has good talent and is preparing good talent for the future of the organization. So we're talking a lot more about that exact thing — should the board have greater interactions with the senior leadership team?



And I think the consensus is drawing more and more to “yes.”

**VTR:** One of the things I’ve also observed, within our ACC membership, is more of our members are now landing on public company boards. I believe that, maybe in the older days, there was a bias against lawyers on boards. Have you noticed this same dynamic and has there been a change in terms of how lawyers are looked at on boards?

**TPM:** I think so. I think coming out of the Enron days and Sarbanes Oxley, many of the rules suggested that you should not have lawyers on the board. I think it was really designed to protect against situations where the lawyer representing the company was also sitting on the board, where it would be a conflict of interest. But it was carried over more broadly to not wanting any lawyers on the board. A few years ago, I think people started to recognize that lawyers do bring very good value. I think it started out with organizations that had compliance related issues or large-scale M&A activity. You saw a lawyer’s skill set as being very valuable to help educate the board on risk. I think the ability for a lawyer to be successful depends on having a good understanding of their role. For example, if I sit on a corporate board, I’m not there as the lawyer for the company. I’m not second-guessing the general counsel. I don’t answer legal questions when they come up. I let the general counsel do

that. I’m never there to be the lawyer for the organization. But I do use my experience, my background, and my expertise as a lawyer to help look out for the interests of the organization. And I do think, again, that a strong lawyer who has a good breadth of perspective and good experiences can really add value to a board.

### Parting words of advice ...

**VTR:** For a lawyer who is aspiring to be the GC or maybe, like you, the head of Human Resources or sit on a public company board, what advice would you offer them?

**TPM:** As I think back to my days as a young lawyer at UPS just starting out, I probably would have had a stronger desire to gain a broader perspective early on. I came in as the labor and employment lawyer and there was a lot of work to do there, a lot of opportunity to demonstrate value and to work with the business teams. But, I was really focused on labor and employment law. So, believe it or not, when I got the opportunity to be general counsel, I had a general understanding of corporate governance laws and things of that nature. I had been exposed to it and we had some developmental opportunities. But, I would have liked to have had a much broader exposure when I stepped into the role. I learned a lot after I got into the role. Thankfully, the company recognized that I had the ability to do that. But, I certainly would have looked a little harder at

the broader business issues, learned the business a little bit more, not been so focused on my practice area, but took an interest in other practice areas, understanding what was going on, and really broadening my breadth of perspective much earlier than I did.

I would certainly recommend that, not just for in-house counsel, but for outside counsel as well. I think the lawyers we found to be the most valuable to us and the organization were those that understood the business. They weren’t just providing legal advice, but they were understanding how the legal advice was being applied; the context of the business opportunities, and challenges that our organization was facing.

Looking at mega trends, looking at growth opportunities; understanding disruption and all the things that companies are talking about now — I think all of those are absolutely critical for a good, strong, in-house counsel who wants to go further in the organization. You have to have that ability. And the earlier you develop it and that awareness and knowledge, it helps to propel your career.

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*Listen to the full interview with Teri McClure and read previous interviews in the “On Leadership” series at [www.acc.com/governance](http://www.acc.com/governance).*

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