



# ETHICS AND CONDUCT IN THE BOARDROOM

Hospital board members play a crucial role in establishing a culture of ethics within the organization. As leaders, board members must set high standards and demand ethical conduct from staff, management and each other. While an organization's mission and vision define its direction and purpose, a code of conduct and ethical behavior are the guardrails in place for activity and behaviors as staff and leaders work toward achieving that mission.

Board members set the tone from the top; they are responsible for establishing the culture of an organization as well as providing proper oversight. Ethical behavior is particularly important in the health care industry where the hospital is responsible for the safety and well-being and, in many cases, entrusted with the lives of those who enter its doors.

## Code of Conduct

A code of conduct for hospital boards consists of ethical guidelines and principles that govern the behavior and responsibilities of board members. This code of conduct should be periodically reviewed and updated to incorporate changes in health care laws, regulations, and best practices.

To formalize the necessary behaviors, many organizations develop a comprehensive code of ethics for individual employees and the board. Boards may have a distinct code of conduct compared to the hospital staff given their unique roles in the organization that necessitate such differentiation. Additionally, to comply with the federal Sarbanes-Oxley law, the board must adopt and adhere to a code of ethical conduct.

Board members are expected to abide by a code of conduct that establishes the organization's ethical behavior standard. These principles should be clearly communicated during the onboarding process and reviewed annually.

Board members are expected to adhere to their code of ethics to ensure that they act in the best interests of the organization they represent. While there is no precise formula for a code of conduct and ethics, it should align with the organization's values and explicitly state expected behavior. On page two you will find a sample that can serve as a reference for board members.

Best practices dictate that board members operate according to the highest ethical standards through constant dedication and renewal of their efforts. Individual board members take their responsibilities seriously and make the necessary effort to be effective. They are open to engaging in robust discussions and respectfully disagree. They understand their roles, set goals, maintain open communication lines with each other and hospital leadership, and are willing to challenge management when appropriate.

Board members must demonstrate high professionalism and conduct themselves in a manner that reflects positively on the organization. They must exhibit honesty and integrity in all their dealings and avoid behavior that may compromise the organization's integrity in order to ensure the sustainability of the hospital and the well-being of their community.

## Discussion Questions

1. Do we as board members have a clear and shared vision of our board's role and responsibilities?
2. Are we operating within the ethical parameters set for us?
3. How can we strengthen our governance practices to enhance ethical standards?
4. Do our hospital executives operate on a solid ethical foundation?
5. What guardrails are in place to support ethical behavior and deter unwanted conduct?

# SAMPLE CODE OF CONDUCT FOR BOARD MEMBERS

To uphold the standards of conduct of \_\_\_\_\_ I pledge to:

1. Fulfill my fiduciary duties of loyalty, care, and obedience.
2. Prepare for and attend board and committee meetings, engaging in thoughtful and deliberative discussions.
3. Listen to and respect the opinions of my fellow board members and hospital staff.
4. Express my perspectives honestly and respectfully to the board and the chief executive officer.
5. Fully support decisions once the board has made them.
6. Adhere to the organization's conflict of interest policy.
7. Demonstrate ethical behavior in all aspects of governance and health care leadership.
8. Safeguard all sensitive and confidential information about the organization and its members.
9. Comply with all applicable laws, regulations, and organizational policies while conducting effective oversight.
10. Treat board members, staff, and stakeholders with respect and dignity.

**Signed by:** \_\_\_\_\_

**Date:** \_\_\_\_\_