

From a consultant's perspective (Observations made)

Protecting Confidentiality in the Boardroom: Why it Matters

In our experience as governance consultants, maintaining confidentiality in the boardroom is an important factor for institutions. It plays a vital role in ensuring that the sanctity of the Boardroom is preserved.

Confidentiality involves protecting non-public information from exposure to unauthorised persons. Information that may be worth protecting may include trade secrets, strategic plans and employee data to mention a few. This is especially crucial for organisations handling confidential data like financial institutions or healthcare providers.

Maintaining confidentiality also helps to foster trust among stakeholders such as employees, customers, and investors. When stakeholders are confident that their information is kept confidential, they are more likely to share sensitive information and maintain their relationship with the institution.

Sometimes, certain information gets exposed to unauthorised persons unintentionally. Board members may be tempted to share information or inadvertently disclose it through casual conversation or social media. To mitigate these risks, it is advisable that Board members sign an oath of secrecy before assuming the role and are constantly reminded of same even whilst on the job. Occasionally, when sensitive items on the agenda are to be discussed, chairpersons can remind members about the need to observe the confidentiality of those matters. It is important that senior management staff who frequently sit in Board meetings are made to sign the oath of secrecy or sign confidentiality statements to bind their conduct.

The need to observe confidentiality is as important as the integrity of the Board. The worth of every Board member is his ability not to compromise information that is in his custody. The maturity of a member is a function of his ability to preserve confidential information. Therefore, whilst in the Boardroom, keep the meeting within the Boardroom.