

Review of Examining the Costs and Causes of Cyber Incidents

The article “Examining the Costs and Causes of Cyber Incidents” was written by Sasha Romnosky and published in the Journal of Cybersecurity in 2016. Throughout the reading of this article, it is clear that it focuses on the analysis of the causes and costs of cyber incidents. The author starts the article with “US President signed an executive order designed to help secure the nation’s critical infrastructure from cyberattacks” (Romnosky, 2016). Romnosky drives the article by analyzing the data associated with cyber incidents. In the end, Romnosky(2016) concludes that the actual financial impact on firms is considerably smaller than expected and firms may lack a strong incentive to increase their budget on data security and privacy protection.

At the beginning of this article, the author describes the research question that he will probe the cost and cause of cyber incidents. And he hypothesizes that the cost of a cyber incident is almost the same as the investment in cyber defense annually.

In the article, Romnosky(2016) states that all data for this research is from Advisen, a data collection company. This is typical archival research which refers to achieving the data from private companies or the public. This type of data can be easily accessed and achieved but it will miss data and can not represent all data. The author divides the data into different fields to analyze. After the qualitative analysis, the author achieved different trends in different fields.

Through the data analysis, the author depicts the human behavior of cyber incidents in different fields which is related to each other. The objectivity of this research is clearly mentioned in this article which is about the cost and cause of cyber incidents. The author states the research in a simple way, such as using histogram figures to describe the data and key points to the audience, which is related to parsimony.

Currently, there is still an argument about cyber security investment verse cyber incident loss. Most people still think that the loss of cyber incidents is more than investment in cyber defense. This article clearly analyzed the relationship between the two points. That being said, the loss of incidents almost equals the investment in cyber security.

As Romnosky(2016) mentioned that “the analysis provided in this article will be relevant in a number of ways to firms, policy makers, consumers, and particularly insurance companies”. All this related conclude that firms do not have strong incentives to increase their investment in cybersecurity.

This review evaluated the article “Examining the Costs and Causes of Cyber Incidents”. As Romnosky mentions in this article, the cost of cyber incidents almost equals the expenses in cyber security operations. So firms lack of strong incentives to increase investment to data security and protection, and “voluntary adoption of the NIST Cybersecurity framework may prove very difficult and require additional motivation” (Romnosky, 2016).

References

- Romanosky, S. (2016). Examining the Costs and Causes of Cyber Incidents. *Journal of Cybersecurity*, 2(2), 121–135. <https://doi.org/10.1093/cybsec/tyw001>