

# **Inexpert Supervision: A Qualitative Study on Boards of Directors' Oversight of Cybersecurity**

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## **Abstract**

Boards of directors have a fiduciary duty to oversee firms' management of material risks, which increasingly include risks related to cybersecurity. However, cybersecurity poses unique oversight challenges to boards due to their unfamiliarity with the subject matter and its recent emergence as a key board responsibility. Most directors do not possess a background that lends itself to cybersecurity proficiency, and few companies even disclose cybersecurity as a distinct category of skills or expertise. Given this gap between boards' newly-emphasized responsibility to oversee cybersecurity and their lack of experience in this area, research is needed to better understand how boards can more effectively oversee this critical function.

To address this need, we performed 30 qualitative interviews with members of three groups: board directors, chief information security officers (CISOs), and cybersecurity consultants who interact with boards. This study contributes by describing with rich narrative examples what boards' oversight of cybersecurity actually looks like, and how board members cope with their responsibility to oversee cybersecurity when they have little to no expertise in this area. We also highlight the coaching role of CISOs in helping boards to perform their oversight of cybersecurity.