

Issues in introducing and updating technology

Resistance to change

People are often concerned by change. ICT can lead to job losses for workers in traditional skilled crafts. This can cause stress for existing workers, as they will fear for their future. - Productivity may fall.'

Lower Morale

ICT can undermine group morale by breaking up teams. If job losses are involved, morale may fall because workers are concerned for colleagues who have been made redundant. - Productivity may fall.

Cost

For many businesses, the most significant problem is the cost of new technology.

- Not only is it expensive to produce, but it also needs regular updating and servicing.

In some situations, it may be more cost effective to employ less advanced techniques to avoid constant expenditure on updating technology.

- For some businesses, the cost of technology can make them uncompetitive and so threaten their survival.

Keeping up with change

Technology changes constantly, so hardware and software need to be updated regularly. Staff will also have to undergo frequent training, again adding too costs and threatening efficiency.

Lower barriers to entry

ICT helps international communication, so businesses can gain from the opportunities offered by the opening up of world markets. However, ICT poses a threat to some businesses, because it reduces some of the barriers to entry in certain industries. Consumers can use the internet to compare prices, so ICT has the potential to force prices and profits down, especially in high-wage economies such as the UK.

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