

Free case study on environmental factors that affect hydro-quebec company

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Environmental Factors that Affect Hydro-Quebec Company

Introduction

Companies exist in an environment, which has factors that affect its operations internally or externally. These factors can be classified either as internal or external influences that could affect a business positively or negatively. Thus, these factors contribute to the growth of the business if well-handled and should be embraced as a challenge meant for good (Douma & Shreuder, 2012; Jeanty, 2012; Sullivan & Sheffrin, 2003). This study uses a case study of Hydro-Quebec Company that supplies electricity across Canada and North America, to identify the factors that led to the change in the IT management section. Also, the study analyses the possible changes that the company should make to mitigate negative environmental effects. Hence, environmental issues must be dealt with effectively; otherwise, the company will not perform effectively and efficiently.

Environmental Factors

The external factors that affected the Hydro-Quebec company include government influence, changes in the government policies, customer demands, technology change, competition, and the change in business structure (Dube et al., 2007). In 1963, the main shareholder of the Hydro-Quebec company was the government of Quebec. Hydro-Quebec was able to generate revenue of 5.6 Billion for the government between 1998 and 2004. These statistics show that the government influences the company in matters of taxes, which are high; thus leading the company to sell its product at a higher price. The influence of the government policies for the

company was experienced in the American market in 1997. The government influenced the creation of the Federal Energy Regulation Commission that had the responsibility of regulating the prices of fuel. This led to the reductions of fuel and electricity costs in America, which had been exploited by the Hydro-Quebec company as a monopoly in the market. Hence, a company cannot fight against a change in government policies; thus they had no option but to comply. The unions that were in existence that covered all the employees for equal employment and wages also influenced these policies (Jeanty, 2012). The changes in the laws of the land can affect the business structure directly or indirectly. Direct influence can be explained by stipulating a certain structure such as a new health medical cover for all employees or indirectly by influencing the market, leading the company to change its structures.

Competition is a factor that leads a business to change its structures so as to remain relevant in the market. The Hydro-Quebec company had operated as a monopoly in the market until there was a commission set up to regulate the prices; thus making the market in need for entry of new market competitors. This challenged the operations of the Hydro-Quebec company; hence they had to become autonomous, profit oriented and accountable. Technological advancement as a factor has had great influence in the change of the IT Department. The need to change the infrastructure and communication with customers and clients led to the creation of the Customer Information System, which is a database that holds the clients information. These changes came because of the technology changes and the internet development. Business patterns in the market affected the

operation of the management of the company. The structures had to be put to shift from a centralized company to a decentralized leadership. The company was able to open up to outsourcing through tenders and contracts, which lacked. Customer had a significant influence in the management of the company, especially when they took the active role in the demanding for better services (Sullivan & Sheffrin, 2003). Therefore, customers are a great factor to the success of a company; hence their needs had to be addressed by a single unit that was well equipped.

Internal factors that affected the change in the management include the staff members, goals, and cost (Dube et al., 2007). The staff members in a company affected the changes that occurred in the company, which is experienced with the new manager, Ms Larocque Ghislaine, who was heading the Sales and Customer Service. She brought changes in management, in 1999, by creating three teams dealing with several sections, which were business strategy related for residential and commercial customers and IT development strategy. The goals of the company also lead to the restructuring of the company. In 1999 when Hydro-Quebec Company decided to offer a range of services and products, it led to the creation of Sales and Customer department. The customers-client relationship would increase, and they needed a system that would favor their effective communication. Cost of operation also is an internal factor that would lead to changes in the management system of a company (Douma & Schreuder, 2012). According to Hydro-Quebec Company, they were incurring many expenses without a clear strategy that governed their work. The manager, Ms Larocque, could analyze a way that the costs and resources will

be put to effective use, rather than being wasted. The expansion of the company also led to transfers among the staff workers that led to the creation of the workers unions, and labor agreements that stipulated the working time and competencies. Thus, growth in the numbers of the company's employees led to this change (Douma & Schreuder, 2012).

The company is growing; thus the urgency to have legal systems that limits operations and those of employees to avoid disagreement. This increases accountability because there is no department that analyzes the ethics of the company, and the consequences to the employees. Hydro-Quebec as a company that provides electricity, it should cut down on its expenses and manage its employees well, especially because there is the advancement in technology leading to the use of solar panels that are much cheaper in the end. This relates with the ability of the company to remain relevant in the future market. The ability of a company to plan for the management of its future events makes it viable in the market. The Hydro-Quebec company has shown a trend of dealing with issues as they occur. This could be expensive in the implementation of a new structure. In some occurrences, the changes might be impossible; hence a collapse of the company (Jeanty, 2012). They should also have incentives for its loyal customers such as subsidies to keep them interested in their services. The idea of an effective customer relations section and sales was an initiative that will work well for the company, and it needs to be maintained.

Conclusion

Hydro-Quebec Company has dealt effectively with the factors that affect changes. It has changed structures to accommodate changes within the company and from the external environment. The external factors identified include customers, government involvement and policies, technology changes, and changes in other businesses and competitors. The internal factors that affect the company include operation costs, the staff of the companies and the goals of the company. Therefore, the company should deal with the possibility of future occurrences that could affect the company. This is because the company deals with factors as they show and not before they happen; thus a market analysis is recommended.

References

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