Abstract

Firms are using information systems to build sustainable competitive advantage and these systems are subject to change when the organization is responding to change from external forces. This study focuses on the three dimensions of information systems i.e. technology, strategic leadership and organization characteristics including business processes, structure and culture and how these are managed during strategic change of information systems to build competitive advantage. With Porter’s five-force model and the value chain model, this study specifically aims at identifying external forces in the airline business environment driving strategic change, assessing the effect of technology on competitive advantage, determining the extent to which organization characteristics impact on competitive advantage and determining the role of strategic leadership on sustainable competitive advantage during strategic change. The study employed survey research design with a sample of 173 drawn from executive directors, senior managers and managers and pilots who were picked by simple random sampling from Kenya Airways Ltd. Self-administered questionnaires and personal interviews were used as well as data from books, journals, periodicals, company reports, press releases and the internet. Data analysis was done by Measures of Central Tendency, Chi-square, Regression and Descriptive Analysis (percentages, frequencies and averages) followed by data presentation on bar graphs, pie charts and tables. The study concludes technology should result in factors that build competitive advantage with resources and capabilities in business processes being strategically flexible and costly for imitation by competitors. During change culture should focus on important stakeholders with strategic leadership focusing on employees and enhancing communication systems.