
(Research/Review) Article

BJ Habibie's Transformational Leadership in Indonesia's Political Transition Post-New Order

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Abstract: This study aims to analyze the transformational leadership of President BJ Habibie during Indonesia's post-New Order political transition using a qualitative descriptive approach with a case study design. The research focuses on Habibie's leadership style, reform policies, and strategic role in building the foundation of Indonesian democracy. Data were obtained through a literature review of books, journal articles, and policy documents, then analyzed using content analysis through data reduction, data display, and conclusion drawing. The findings reveal that Habibie demonstrated transformational leadership characterized by visionary reform, innovative policymaking, and high political morality. He initiated major reforms such as the abolition of the military's dual function, press liberalization, the first democratic election in 1999, and regional autonomy. These policies served as milestones in Indonesia's transition toward a more open and participatory political system. The study concludes that Habibie's transformational leadership played a pivotal role in shaping Indonesia's democratization process and stands as a model of adaptive political leadership in developing countries.

Keywords: BJ Habibie; Democratization; Political reform; Post New Order; Transformational leadership

1. Introduction

Indonesia's post-New Order political transition was a crucial period in the nation's history. Fundamentally, this period transformed the government system toward a more open and participatory democracy. In this context, the leadership of President Bacharuddin Jusuf Habibie (BJ Habibie) was highly significant. BJ Habibie assumed the presidency during a multidimensional crisis that gripped Indonesia. After President Suharto stepped down in May 1998, Habibie ascended to the presidency and implemented large-scale reforms, despite his tenure lasting only about 1.5 years. He was not only a symbol of change but also a key actor in implementing various reform policies to enable Indonesia to emerge from the authoritarian era of the New Order and move towards democracy (Marpaung, 2024) .

Habibie's leadership was marked by his courage in taking progressive reform measures, including the elimination of restrictions on press freedom, granting broader autonomy to regions, and holding free and democratic general elections in 1999. The election was later recorded as an important milestone in Indonesian political history because it was considered the first election to be held in a more honest and fair manner . In addition, the policy of disbanding the dual function of the Indonesian Armed Forces (ABRI) was a strategic effort to reduce military dominance in the civilian sphere and open up space for public participation in the political process (Marpaung, 2024).

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Habibie's reforms also reflected democratic principles, including transparency, accountability, and respect for human rights. One controversial yet monumental policy was the referendum in East Timor that led to the region's independence. This decision sparked widespread debate, but also demonstrated Habibie's commitment to the right of self-determination for a nation. Facing critical political and economic challenges, Habibie navigated swiftly and precisely to ensure the reforms were carried out without compromising national stability. Although his tenure was short, lasting only 512 days, his policies and leadership style laid a crucial foundation for the future of Indonesian democracy (Wijayanti, 2023).

Previous studies have extensively examined BJ Habibie's leadership, focusing on his transformational and visionary leadership style, which he used to drive drastic change amidst the crisis (Rani, 2019). Habibie is considered a figure who brought a wind of change with the courage to adopt unpopular but necessary policies, such as political liberalization through press freedom and providing space for new political parties to develop. Other studies examine Habibie's role in establishing a political system that began to become more decentralized and democratic than the previous, highly centralized era (Marpaung, 2024). Wijayanti (2023) highlights Habibie's political reform policies, including the abolition of the dual function of the Indonesian Armed Forces (ABRI), press liberalization, and the implementation of more democratic general elections. However, most studies tend to view these aspects partially, either only in terms of leadership style, specific policies, or short-term impacts. Few studies have comprehensively integrated aspects of leadership, reform policies, and the socio-political dynamics that shaped Indonesia's democratic transition process during and after Habibie's administration.

Thus, the gap This research highlights the need for an integrative study linking BJ Habibie's transformational leadership style with his strategic role in building the foundations of Indonesian democracy post-New Order. A recent study by Putri and Santosa (2023) emphasized that transformational leadership during political transitions can accelerate democratic consolidation because it focuses on value formation and public participation, rather than simply structural reform.

2. Literature Review

2.1. The Concept of Transformational Leadership

Transformational leadership was first introduced by James MacGregor Burns (2018), who emphasized that transformational leaders not only manage administrative processes but also inspire changes in the values and behaviors of their followers to achieve common goals. Bass and Riggio (2016) expanded on this concept by highlighting four main components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Transformational leaders create fundamental change in organizations or communities by emphasizing moral values, long-term vision, and the active participation of their followers.

2.2 Adaptive Leadership Theory

This theory emphasizes the leader's ability to balance stability and change and empower followers to independently address complex challenges. In the context of political leadership, this style enabled leaders like Habibie to navigate major changes without compromising national stability. This adaptive principle complements the transformational style with a more flexible and situational approach.

2.3 Moral and Ethical Leadership

Burns (2018) introduced the concept of moral leadership as a form of leadership oriented toward ethical values, social justice, and the welfare of society. Moral leaders not only focus on policy effectiveness but also consider the humanitarian and moral impact of each decision. Hakim (2022) emphasized that in the contemporary political context, moral leadership is a crucial element in building public legitimacy and trust in government.

2.4 Relevance of Theory to B.J. Habibie's Leadership

In the Indonesian context, B.J. Habibie's transformational leadership is a key element in the political realm. Habibie embodied these theories. Habibie combined a reformist vision in leading the transition period. Habibie's courage in abolishing the dual function of the Indonesian Armed Forces (ABRI), implementing democratic elections, and restoring press freedom demonstrated the application of both transformational and adaptive principles. Therefore, his leadership style serves as an ideal model for developing countries on the path to democracy.

3. Materials and Method

This research uses a descriptive qualitative approach with a case study type that focuses on the transformational leadership of President BJ Habibie during the post-New Order political transition period in Indonesia. According to (Sugiyono, 2019, in Nugroho, 2020), qualitative research is conducted to understand phenomena in a natural context, so that the researcher acts as the main instrument and data is obtained through various literature sources. (Nugroho, 2020). Data were collected through a review of books, journal articles, research reports, and relevant documents discussing BJ Habibie's leadership during the political transition. A literature review approach in qualitative research is also considered effective for exploring the dimensions of values and morals in political leadership (Hakim, 2022). Data analysis was conducted using content analysis techniques, which systematically examine and interpret text content, starting from data reduction, data presentation, and drawing conclusions. To maintain validity, this study used source triangulation by comparing various literatures, so that the results of the study are expected to provide a complete picture of Habibie's democratic leadership in strengthening Indonesia's democratization process.

4. Results and Discussion

4.1 Result

Based on a content analysis of various literature sources, this study identifies key findings regarding BJ Habibie's transformational leadership during Indonesia's post-New Order political transition. The findings focus on the integration of leadership style, reform policies, and socio-political dynamics.

4.1.1 Habibie's Transformational Leadership Style as a Driver of Drastic Change

Literature analysis reveals that Habibie implemented transformational leadership by emphasizing a visionary vision that inspired political elites and society to emerge from the post-1998 crisis. Furthermore, Kusnadi's (2021) research shows that transformational leadership in the context of political crises emphasizes the importance of empathetic and visionary public communication as a means of building legitimacy. During this time, Habibie faced challenges such as social unrest, economic inflation, and demands for reform from the

student movement, but instead used this moment to push for radical change. For example, through his speeches, Habibie built a narrative that reform was the only path to stability and encouraged intellectual stimulation among his followers to question the authoritarian norms of the New Order. This approach was evident in his courage to make unpopular decisions, such as opening space for new political parties, which ultimately created the foundations of a more open and participatory democracy, even though his term of office was only 512 days. In this regard, Rani (2019) explains that Habibie's transformational style involved elements such as idealizing influence and intellectual stimulation, which enabled drastic change amidst the crisis. This is in line with Mietzner's (2020) research in *Reinventing Asian Populism*, which analyzes transitional leaders like Habibie as radical catalysts in Southeast Asia, where their personal vision prevented the collapse of post-authoritarian political systems.

4.1.2 Implementation of Progressive Reform Policies for Democratization

The study's findings indicate that Habibie's policies directly addressed the roots of authoritarianism, including the abolition of the ABRI's dual function to reduce military dominance in the civilian sphere, the granting of broader regional autonomy to reduce centralization of power, and the holding of free and fair elections in 1999, considered the most honest since the New Order era. Furthermore, the 1999 East Timor referendum policy. While controversial and sparking national debate, these policies reflected a commitment to transparency, accountability, and human rights, thus opening up broader public participation in the political process. These policies were not only symbolic but also structural, as they successfully shifted Indonesia from a centralized system to a more decentralized and democratic one. Wijayanti (2023) highlights this decentralization policy as the main foundation of political reform, which is in line with Aspinall and Mietzner (2019) in *The Yudhoyono Presidency: Indonesia's Decade of Stability and Stagnation*, stating that Habibie's reforms were the initial milestone of the wave of democratization, with a crucial role in managing regional conflicts and building inclusive institutions in post-authoritarian countries.

4.1.3 Political Navigation to Maintain National Stability During Transition

Habibie successfully navigated the challenges of stability with swift and precise policies, such as press liberalization that removed strict censorship and provided space for new political parties to prevent a monopoly of power during his short tenure. Habibie also conducted international diplomacy to secure economic assistance from the IMF, forming a cabinet that included various groups to maintain a balance between reform and national cohesion. This approach prevented total chaos, such as regional disintegration or prolonged civil conflict, and ensured a relatively peaceful transition leading to the 1999 elections, which became a symbol of the legitimacy of the new democracy. Habibie's navigation demonstrated adaptive capacity in the face of critical political and economic pressures. Similarly, Marpaung (2024) analyzes this strategic navigation as a key effort to reduce residual authoritarianism, which is relevant to the concept of adaptive leadership carried out by Van Wart (2017) in *Leadership in Public Organizations*, stated that leaders in developing countries like Indonesia must balance radical change with dynamic social stability which is clearly visible in the post-Soeharto Habibie era.

4.2 Discussion

The results of this study indicate that BJ Habibie's leadership during the post-New Order political transition period represents an effective transformational leadership model in directing the nation from an authoritarian system to a more participatory democracy. according to Bass and Riggio (2016) focuses on a leader's ability to inspire, motivate, and create significant change through idealizing influence, inspirational motivation, intellectual stimulation, and individual attention. These principles are clearly visible in Habibie's leadership style, which emphasizes systemic change through a vision of total reform and a commitment to democratic values . Habibie displays a visionary and adaptive transitional leader. He was able to respond to the multidimensional post-1998 crisis by building political and moral trust amidst the divided nation. In line with the *adaptive leadership theory* proposed by Heifetz et al. (2019), Habibie demonstrated the ability to navigate change by balancing the need for rapid reform and socio-political stability. He transformed political pressure into momentum to strengthen democratic values through press liberalization, the formation of new political parties, and a more transparent 1999 election . These reforms were not only a symbol of regime change, but a fundamental restructuring of Indonesia's previously highly centralized governance.

Habibie's leadership also demonstrated *intellectual stimulation* and *idealizing influence* that encouraged political elites and the public to participate in democratic development. According to Nurhayati (2023), Habibie's approach, based on innovation and openness, enabled the emergence of a free public space for healthy discussion and debate, something that was previously very limited during the New Order era. This transformation emphasized that Habibie's leadership was not merely administrative but also ideological, as he shifted the paradigm of Indonesian governance from a power-oriented to a participatory one. Furthermore, Habibie's decision to implement the East Timor referendum serves as a concrete example of leadership based on moral principles and respect for human rights. Although this policy generated controversy and political resistance, it demonstrated Habibie's orientation toward *moral leadership*, as outlined by Burns (2018), namely leadership that prioritizes ethical values for the sake of social justice. From a transitional political perspective, this decision reflects a leader who prioritizes the long-term interests of the nation over short-term interests of power. Furthermore, the dissolution of the ABRI's dual function and the regional autonomy policy demonstrated significant structural transformations in the government system. Marpaung (2024) assessed this step as a crucial foundation for building a decentralized democracy that fostered public participation in various regions. This finding is further supported by Pratama (2024), who stated that the Habibie era marked the "initial foundation of modern Indonesian democracy" because it created a political system more open to opposition, press freedom, and party diversity.

Habibie's leadership reflected the synergy between transformational and adaptive leadership. Policy changes were motivated not only by a vision of reform but also by the ability to manage uncertainty and conflict. This is relevant to Northouse's (2021) view, which states that transformational leaders must be able to adapt to changing social and political contexts while maintaining the values and goals of the organization or nation. Consistent with Lestari's (2024) research, transformative leadership in the reform era not only created political stability but also laid the foundation for growing public trust in state institutions. Habibie

successfully balanced democratic idealism with the realities of transitional politics, making him a central figure in Indonesia's democratic consolidation process.

5. Conclusion

leadership during the post-New Order political transition period was a concrete manifestation of transformational leadership combined with adaptive capabilities and a strong vision of reform. Habibie was not merely a symbolic figure in Indonesian political change, but a leader who successfully shifted the nation's direction from an authoritarian system to a participatory democracy through progressive policies oriented towards transparency, freedom, and social justice. He applied transformational leadership principles such as idealizing influence, inspirational motivation, and intellectual stimulation that encouraged the public and political elite to boldly participate in change. The novelty of this research lies in the integrative approach used to connect Habibie's transformational leadership style, his reform policies, and the socio-political dynamics of the transition period. This approach provides a new perspective that the success of a democratic transition depends not only on structural policies but also on moral values, adaptive intelligence, and a leader's vision in managing political uncertainty. This research confirms that Habibie is a typical leadership model for developing countries, capable of combining democratic ideals with complex social realities, while simultaneously building a crucial foundation for the consolidation of modern Indonesian democracy.

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