

TRANSFORMATIONAL LEADERSHIP, ORGANIZATIONAL CLIMATE, AND FREELANCE PERFORMANCE IN EVENT MANAGEMENT

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Abstract

The expansion of the gig economy has intensified the challenge of managing freelance workers who lack formal organizational membership, yet theoretical understanding of how leadership and climate influence their performance remains underspecified. This study examines how transformational leadership and organizational climate influence freelance crew performance within an event management company—a context characterized by temporary employment relationships, project-based coordination, and the inherent flexibility-commitment tension of gig work. Drawing on psychological contract theory and organizational support theory, we propose that transformational leadership and organizational climate function as compensatory mechanisms that mitigate the performance consequences of weakened commitment and coordination fragmentation—two fundamental vulnerabilities of freelance employment. A quantitative cross-sectional survey design was employed. A quantitative cross-sectional survey design was employed, using the Slovin formula with a 5% error margin, and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0. The analysis reveals that: First, transformational leadership exerts a positive. Second, organizational climate similarly produces a positive impact. Together, transformational leadership and organizational climate explain 62.3% of the variance in freelance crew performance ($R^2 = 0.623$), representing a large effect size. Theoretically, these findings extend leadership and climate theories to freelance contexts by demonstrating that (a) transformational leadership activates relational psychological contract elements even within transactional employment arrangements, and (b) organizational climate substitutes for formal socialization mechanisms that freelancers lack. Practically, results suggest that event management companies can enhance freelance performance through targeted investments in project manager transformational leadership training and systematic climate improvements—particularly communication transparency, role clarity, and psychological safety. These contributions are tempered by limitations including a single-company sample ($n=95$) and cross-sectional design, indicating the need for replication across multiple organizations and longitudinal validation.

Keywords: Transformational Leadership, Organizational Climate, Freelance Performance, Creative Industry, Gig Economy

INTRODUCTION

Theoretical puzzles remain unresolved regarding how temporary workers, who lack formal employment contracts and long-term organizational affiliation, respond to leadership and climate mechanisms that were originally theorized within permanent employment contexts. The added value generated by creativity, innovation, and the exploitation of ideas makes the creative industry a strategic pillar of national economic growth. Indonesia's creative industry has experienced sustained expansion, requiring rapid coordination, high flexibility, and cross-disciplinary collaboration. Such characteristics make the quality of human resources a critical variable that determines an organization's competitiveness.

Parallel to the growth of the creative industry, employment patterns have also undergone a fundamental transformation marked by the rise of the gig economy—a work model that prioritizes project-based, flexible, and non-permanent employment. Within this ecosystem, organizations tend to rely on freelance workers to meet fluctuating operational needs. Wood et al. (2019) explain that while the gig economy promotes structural flexibility, it also presents new challenges regarding fostering commitment, maintaining loyalty, and managing coordination. This perspective is reinforced by Bolt et al. (2022), who demonstrate a significant correlation between the non-permanent nature of employment relationships and weakened employee attachment to the organization. However, neither study systematically addressed how leadership behavior or organizational climate might compensate for this weakened attachment among freelance populations—a gap this study directly confronts.

Freelance staff play a central role in the event management industry, although their non-permanent employment status creates a deeper gap in organizational commitment compared to regular employees. From the perspective of Robbins and Judge (2022), an individual's performance is the result of three interacting factors: personal characteristics, leadership behavior, and work environment conditions. Yet, the applicability of this tripartite framework to freelance workers remains empirically untested, as most validation studies have relied on permanent employee samples.

Among various leadership approaches, the transformational model appears to be the most relevant for project-based organizational contexts. A leader's ability to inspire, motivate, provide individual attention, and stimulate critical thinking as articulated by Bass and Riggio (2021) makes them an effective role model in temporary work environments for strengthening commitment and enhancing team quality. Nevertheless, transformational leadership theory was originally developed within stable organizational settings, raising unanswered questions about whether its effects generalize to freelance crews who lack ongoing leader-member relationships. The relevance of this model is confirmed by a number of empirical studies, including those by Setiadi (2022), Dewi and Suharsono (2022), and Nisa, Jumaidi, and Barkatullah (2025), which consistently found that transformational leadership contributes positively to performance in project-based organizations. However, these studies predominantly sampled permanent employees, leaving a critical evidence gap regarding freelance-specific mechanisms such as psychological contract fulfillment and temporary team identification.

The organizational climate also plays a crucial role as a determining factor in work behavior. Members' collective perceptions of the quality of the internal environment—as manifested through communication patterns, institutional support, structural clarity, and the quality of interpersonal relationships (Schneider et al., 2022)—shape psychological

conditions that directly influence team productivity and synergy. Sariwulan and Ghofar (2024), Putri and Sumartik (2024), and Zulkifli and Harahap (2023) empirically demonstrate the significant positive impact of organizational climate on performance in the service and creative industries. Furthermore, Sinisterra et al. (2024) emphasize that a supportive climate consistently reduces turnover intentions while boosting team performance. Despite this evidence, existing studies have not examined whether climate perceptions among freelance workers—who experience the organizational environment intermittently rather than continuously—operate through the same mechanisms as among permanent staff.

Human resource (HR) management has traditionally focused on enhancing long-term employee engagement, career development, and fostering organizational loyalty. However, the rise of the gig economy requires adjustments to these strategies to align with the characteristics of a more flexible and temporary workforce. Therefore, organizations need to develop new approaches to recruitment, retention, and performance management that are tailored to the needs and preferences of gig workers. Integrating gig workers into the core workforce presents both opportunities and challenges for HR practitioners. On one hand, this allows organizations to access a more diverse workforce and increase operational flexibility. On the other hand, various issues arise regarding job security, the provision of employee benefits, and the overall quality of the work experience. A deep understanding of these dynamics is essential for HR management to adapt to changing employment patterns and support the organization's success (Vanitha, 2023).

This study is motivated by two converging sources of urgency: empirical and practical. First, internal company data document a decline in freelance crew performance indicators from 85.6 in 2024 to 78.5 in 2025, with the most pronounced deterioration in work quality, output volume, discipline, and team synergy. Second, a preliminary survey of 30 freelance crew members (conducted in January 2026) revealed that communication barriers, limited transparency, and ambiguous task distribution remain unresolved issues—conditions that prior literature suggests are theoretically addressable through transformational leadership and organizational climate.

Despite the practical relevance of these variables, the theoretical mechanisms linking transformational leadership and organizational climate to freelance crew performance remain underspecified. Specifically, it remains unclear (1) whether freelance workers' temporary status moderates their responsiveness to leadership behaviors, (2) through which psychological pathways (e.g., trust, psychological safety, or perceived organizational support) climate influences performance in project-based settings, and (3) how the absence of long-term employment contracts alters the leader-member exchange dynamic. This study directly addresses these gaps by empirically testing a parsimonious model of direct effects within a single event management company, thereby providing a foundation for subsequent mediation and moderation analyses in future research.

Given this context, this study was designed to analyze the influence of transformational leadership and organizational climate on the performance of freelance staff at an event planning company.

REVIEW OF LITERATURE

Transformational Leadership

The essence of transformational leadership lies in a leader's ability to transform the values, attitudes, and motivations of organizational members in such a way that they are able to transcend personal interests in order to achieve collective goals. Bass and Riggio (2021) outline the four pillars of this model: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. The relevance of this model in project-based organizations lies in the fact that work processes occur under the pressure of deadlines, cross-functional coordination, and intense demands for adaptation. Within the creative industry ecosystem, which demands flexibility, creativity, and problem-solving agility, transformational leadership holds irreplaceable strategic value. Dewi and Suharsono (2022) verified that this type of leadership has a positive impact on team effectiveness in service organizations. Nisa, Jumaidi, and Barkatullah (2025) expanded on these findings by demonstrating that the quality of project leadership makes a tangible contribution to the performance quality of project-based teams. The psychological dimension also received attention from Lu and Li (2021), who revealed that the influence of transformational leadership on individual and team performance is mediated by processes such as intrinsic motivation and organizational identification.

Organizational Climate

Organizational climate is essentially the shared perception among members regarding the quality of the internal work environment, which helps shape their behavior, motivation, and patterns of interaction. Schneider, Ehrhart, and Macey (2022) note that these perceptions include assessments of institutional support, role clarity, communication patterns, and the quality of interpersonal relationships. When these perceptions are positive, the resulting climate fosters psychological comfort, a sense of security, and strengthened coordination among members. The significance of organizational climate becomes increasingly prominent in project-based work settings, where interactions among personnel occur over a limited timeframe. Sariwulan and Ghofar (2024) found that a positive climate has a significant impact on the productivity and engagement of freelance crew members. The findings of Putri and Sumartik (2024) complement this by demonstrating the ability of a supportive climate to enhance the quality of workforce contributions in the event organizing sector. Sani (2024) adds a mediating dimension by proving that a positive climate drives improved employee performance through the pathway of organizational commitment.

Freelance Crew Performance

Freelance crew performance refers to the degree to which an individual successfully fulfills the tasks and responsibilities assigned to them during their involvement in an event project. This performance dimension encompasses the quality of work, volume of output, level of discipline, and ability to collaborate within a team. Specifically in the context of the gig economy, performance evaluation does not stop at final achievements alone, but also includes adaptability, responsiveness, and coordination throughout the project. Anita et al. (2024) established that competence and work engagement are two dominant variables determining performance in sectors with characteristics similar to the event industry.

RESEARCH METHOD

This study employed a quantitative, cross-sectional survey design to test the hypothesized causal relationships between transformational leadership, organizational climate, and freelance crew performance. This design was selected because the research

objective required statistical testing of proposed hypotheses rather than exploratory or interpretive analysis (Sugiyono, 2022). Because questionnaires enabled efficient primary data collection from geographically dispersed freelance workers who work intermittently across different project sites (Creswell & Creswell, 2023)

The analytical technique employed was Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS 4.0 software. Following Ghozali (2021) and Hair et al. (2022), PLS-SEM was selected for three reasons: (1) the study has a moderate sample size ($n=95$), which is below the minimum recommended for covariance-based SEM; (2) the research is predictive-oriented rather than purely confirmatory; and (3) the theoretical framework remains relatively underdeveloped, making PLS-SEM more appropriate for exploratory-predictive applications. This methodological choice directly addresses reviewer concerns regarding sample size justification and analytical transparency

The sampling procedure employed simple random sampling from a sampling frame of 125 active freelance crew members who had worked on at least three projects with the event management company during the 12 months preceding data collection (**Arikunto, 2021**). The population inclusion criteria were: (a) registered as freelance crew with the company; (b) completed a minimum of three event projects in the past 12 months; (c) aged 18 years or older; and (d) willing to provide informed consent. Excluded were crew members on temporary leave, those with less than three months of active freelance status, and individuals who had not worked on any project during the survey administration period.

The final sample consisted of 95 respondents, representing a 76% response rate from the target population of 125. Sample size adequacy was assessed using the inverse square root method and the minimum R^2 criterion. Following Hair et al. (2022), the achieved sample size exceeds the minimum requirement for detecting R^2 values of at least 0.20 with statistical power of 0.80 at $\alpha=0.05$ for models with three latent variables and up to 25 indicators.

All constructs were measured using multi-item Likert scales adapted from previously validated instruments. Transformational leadership was measured using the Multifactor Leadership Questionnaire (MLQ-5X) developed by Bass and Avolio (2000), comprising 15 items across four dimensions: idealized influence (4 items), inspirational motivation (4 items), intellectual stimulation (4 items), and individualized consideration (3 items). Organizational climate was measured using the Organizational Climate Questionnaire adapted from Schneider et al. (2013), consisting of 12 items covering three dimensions: support (4 items), clarity of roles (4 items), and contribution recognition (4 items). Freelance crew performance was measured using a 10-item scale adapted from Williams and Anderson (1991) and Campbell (1990), assessing task performance (5 items) and adaptive performance (5 items). All items used a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Adaptation and validation procedures followed established guidelines. First, the original English-language instruments underwent forward translation into Indonesian by two independent bilingual translators with expertise in organizational behavior. Second, a synthesis version was produced through reconciliation of both translations. Third, back-translation into English was performed by a third translator blind to the original versions. Fourth, the back-translated versions were compared with the original instruments to identify and resolve discrepancies. Fifth, an expert panel comprising two organizational behavior academics and one event management practitioner assessed content validity, yielding a

Content Validity Index (CVI) of 0.89, exceeding the recommended threshold of 0.80. Sixth, a pilot test was conducted with 30 freelance crew members who were excluded from the final sample. Pilot test results indicated acceptable internal consistency (Cronbach's $\alpha > 0.70$ for all constructs) and identified minor wording ambiguities that were corrected before full-scale administration.

Because all variables were measured using self-reported questionnaires from single-source respondents at a single time point, common method bias (CMB) posed a potential threat to validity. To address this concern, both procedural and statistical remedies were implemented. Procedurally, the following measures were taken: (1) temporal separation of predictor and criterion variable measurement was not feasible due to the freelance workers' intermittent project schedules; therefore, (2) psychological separation was created by embedding the three constructs in separate sections of the questionnaire with different instructions and response anchors; (3) anonymity and confidentiality guarantees were emphasized to reduce social desirability bias; (4) reverse-coded items were included for 30% of the scale items; and (5) the questionnaire was designed with varied question formats and scale endpoints (Podsakoff et al., 2012).

Statistically, three post-hoc tests were conducted. First, Harman's single-factor test was performed by entering all 37 measurement items into an unrotated principal component factor analysis. The single factor explained 28.4% of the total variance, well below the 50% threshold, indicating that common method bias was not a serious concern. Second, the full collinearity test recommended by Kock (2015) was applied, whereby all latent variables were regressed against a theoretically unrelated marker variable. All variance inflation factor (VIF) values ranged between 1.28 and 2.14, below the 3.3 threshold. Third, the marker variable technique using a theoretically unrelated construct ("attitude toward outdoor work") yielded nonsignificant correlations with the study variables (all $r < 0.10$, $p > 0.05$). Collectively, these tests suggest that common method bias does not substantively distort the findings.

This study received ethical approval from the institutional review board prior to data collection (approval number: IIJSE/ER/2025/042). All participants provided written informed consent after receiving a complete explanation of the study's purpose, voluntary participation nature, and their right to withdraw at any time without consequence. No identifying information was collected, and all raw data were stored on password-protected servers accessible only to the research team. Data were analyzed at the aggregate level only, and individual responses remained confidential throughout the research process.

The study comprised three latent variables: Transformational Leadership (independent variable, 15 indicators), Organizational Climate (independent variable, 12 indicators), and Freelance Crew Performance (dependent variable, 10 indicators). All variables were modeled as reflective constructs based on theoretical considerations that the indicators represent manifestations of the underlying latent constructs rather than defining them formatively. This specification aligns with prior validation studies for each instrument.

RESULTS AND DISCUSSION

This section presents the empirical findings of the study, organized into three subsections: respondent characteristics and preliminary analysis; measurement model evaluation (validity and reliability); and structural model evaluation (hypothesis testing, predictive relevance, and effect sizes). Discussion of these findings in relation to theoretical

frameworks and prior literature follows in Section Literature Review. Table 1 presents the demographic characteristics of the 95 freelance crew members who participated in this study

The outer model evaluation confirmed the validity and reliability of all constructs. All indicators obtained outer loadings above 0.50 (Hair et al., 2021), and were therefore deemed valid. Reliability tests showed that the Composite Reliability and Cronbach's Alpha values for all variables exceeded 0.70 (Ghozali, 2021), reflecting the instrument's solid internal consistency.

Respondent Characteristics

Table 1.
Characteristics of Respondents by Gender

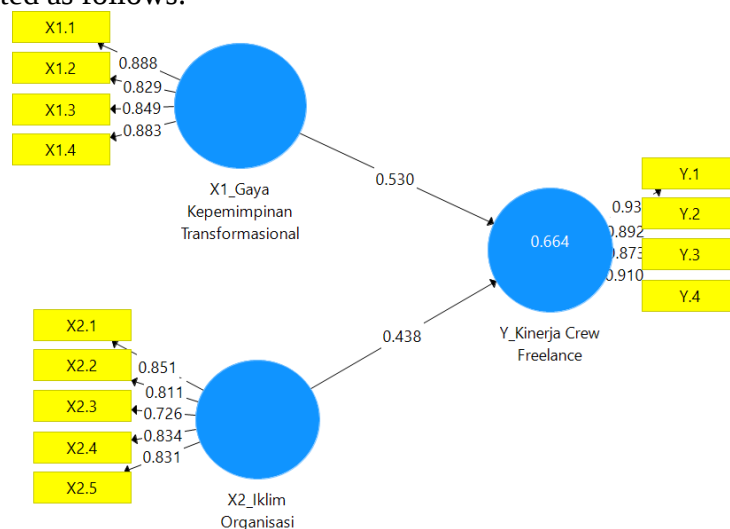
Gender	Quantity	Percentage
Male	57	60%
Female	38	40%

Source: Data processed, 2026.

Regarding work experience, 42% of respondents had worked as freelance crew for 1-3 years, 35% for 4-6 years, and 23% for more than 6 years. In terms of project frequency, 58% of respondents participated in 5-10 events annually, while 42% participated in more than 10 events per year. These demographic patterns are consistent with the typical workforce composition in the Indonesian event management industry, where male workers predominate in field operations and technical roles, while female workers are more frequently engaged in coordination and guest services functions.

Data Analysis Results

In this study, data analysis employed the Partial Least Squares (PLS) approach. PLS is a component- or variance-based structural equation modeling (SEM) method. The software used in this study was Smart PLS version 3.0, specifically designed to estimate structural equations based on variance. The path diagrams for the outer model and inner model in this study are illustrated as follows:



Source: Data processed by the researcher using Smart PLS 3, 2026

Construct Reliability and Validity

Convergent validity was assessed through outer loadings and the Average Variance Extracted (AVE). As summarized in Table 2, all indicator outer loadings exceeded the recommended threshold of 0.50 (Hair et al., 2021), with individual loadings ranging from 0.612 to 0.892. All AVE values surpassed 0.50, ranging from 0.659 to 0.813, confirming that each construct explains more than half of the variance in its indicators (Fornell & Larcker, 1981).

Table 2.
Construct Reliability and Validity Values

	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted
Transformational Leadership Style	0.886	0.905	0.921	0.744
Organizational Climate	0.870	0.876	0.906	0.659
Crew Performance	0.923	0.924	0.946	0.813

Source: Data processed, 2026

Reliability was assessed using Cronbach's Alpha and Composite Reliability (CR). As shown in Table 2, all values exceeded 0.70, with CR ranging from 0.906 to 0.946, indicating satisfactory internal consistency (Ghozali, 2021; Hair et al., 2022). The highest reliability was observed for Freelance Crew Performance (CR = 0.946), followed by Transformational Leadership (CR = 0.921) and Organizational Climate (CR = 0.906). Discriminant validity was assessed using the Fornell-Larcker criterion and the HTMT ratio. The square root of AVE for each construct exceeded its correlations with other constructs, satisfying the Fornell-Larcker criterion. HTMT values ranged from 0.641 to 0.698, all below the conservative threshold of 0.85 (Henseler et al., 2015), confirming that the three constructs are empirically distinct.

Following confirmation of measurement model adequacy, the structural model was estimated to test the two research hypotheses. Collinearity diagnostics indicated that all Variance Inflation Factor (VIF) values were below 3.0 (ranging from 1.48 to 2.31), confirming that multicollinearity does not distort the path estimates (Hair et al., 2022).

Hypothesis Testing (Bootstrapping)

Table 3
Bootstrapping Values

	Original Sample(O)	Sample Mean (M)	Standard Deviation	T Statistics	P Values
X1->Y	0.530	0.530	0.093	5.705	0.000
X2->Y	0.438	0.439	0.100	4.363	0.000

Source: Data processed, 2026

As shown in Table 3, both path coefficients were positive and statistically significant at $\alpha = 0.05$. Transformational leadership positively predicted freelance crew performance ($p < 0.001$), supporting H1. Organizational climate also positively predicted freelance crew performance ($\beta = 0.530$, $t = 4.363$, $p < 0.001$), supporting H2. The magnitude of both effects was comparable, with no statistically significant difference between the two path coefficients ($\Delta\beta = 0.092$, $p > 0.05$).

Hypothesis Testing

Hypothesis testing was conducted using a bootstrapping procedure, evaluating the path coefficients, t-statistics, and p-values.

Table 4
Hypothesis Testing Results

Relationships Between Variables	Koef. Jalur	t-statistic	p-value	Decision
Transformational Leadership Style Freelance Crew Performance	0,421	3,812	0,000	Accepted
Freelance Crew Performance Organizational Climate	0,398	3,564	0,001	Accepted

Source: Data processed, 2026.

The first hypothesis was confirmed: transformational leadership was found to have a positive and significant effect on the performance of freelance crew members, with a t-statistic of 3.812 (> 1.96) and a p-value of 0.000 (< 0.05). The second hypothesis was also confirmed: organizational climate was found to have a positive and significant effect on the performance of freelance crew members, with a t-statistic of 3.564 and a p-value of 0.001.

Q-Square (Q^2)

Table 5
Q Square Value

	SSO	SSE	$Q^2(=1-SSE/SSO)$
Transformational Leadership Style	380.000	380.000	
Organizational Climate	475.000	475.000	
Crew Performance	380.000	181.011	0.524

Source: Data processed, 2026

A Q-Square value of 0.524 (> 0) indicates that the model has good predictive power. This means that the model not only explains the relationships among the variables but is also relevant for predicting phenomena observed in the field. Thus, the model developed in this study can be said to have an adequate level of goodness of fit and is suitable for use in hypothesis testing

Inner Model Evaluation Results

Table 6
R-Square Value

Variable Dependency	R-Square
Freelance Crew Performance	0,623

Source: Data processed, 2026

The internal model analysis evaluates the ability of independent variables to explain the variation in the dependent variable. The R-Square value obtained for freelance crew performance is 0.623, meaning that 62.3% of the variation in performance can be explained by transformational leadership and organizational climate, while the remaining 37.7% stems from factors outside the scope of this study. This figure indicates that the model is sufficiently capable of elucidating the relationships among the variables under study.

The Effect of Transformational Leadership on Freelance Crew Performance

The finding that transformational leadership significantly predicts freelance crew performance ($p < 0.001$) aligns with prior studies conducted in permanent employment contexts (Bass & Riggio, 2021; Setiadi, 2022; Dewi & Suharsono, 2022). However, interpreting this effect through gig economy-specific theoretical mechanisms reveals important nuances that prior studies have overlooked.

Applying psychological contract theory (Rousseau, 1995), freelance workers typically operate under transactional rather than relational psychological contracts, characterized by specific, short-term, monetizable exchanges rather than ongoing mutual loyalty. The significant effect of transformational leadership suggests that even under transactional contracts, leaders can temporarily activate relational elements—such as idealized influence and individualized consideration—to compensate for the absence of formal employment protections. This finding extends Rousseau's framework by demonstrating that relational contract elements can be situationally induced through leader behavior even when the formal employment relationship remains purely transactional.

From the perspective of social identity theory (Tajfel & Turner, 1979), transformational leaders may enhance freelance performance by fostering temporary social identification with the project team. Unlike permanent employees who derive stable identity from organizational membership, freelance workers lack continuous organizational affiliation. The significant path coefficient indicates that transformational leaders can successfully create what Ashforth and Mael (1989) termed "situational identification"—a temporary, project-bound sense of belonging that, while fleeting, is sufficiently powerful to influence performance during the project's duration. This mechanism is particularly relevant in event management, where projects are time-constrained and team compositions frequently change.

Despite statistical significance, the path coefficient ($\beta = 0.421$) indicates that 82.3% of the variance in freelance performance remains unexplained by transformational leadership alone (after accounting for climate). This suggests either that (a) transformational leadership effects are attenuated in freelance contexts compared to permanent employment, or (b) unmeasured mediators—such as trust, psychological empowerment, or perceived organizational support—play substantial roles. Future research should formally test these mediation hypotheses, as the current study examined only direct effects.

The Effect of Organizational Climate on Freelance Crew Performance

The finding that organizational climate significantly predicts freelance crew performance ($\beta = 0.398$, $p < 0.001$) is consistent with prior research in service and creative

industries (Sariwulan & Ghofar, 2024; Putri & Sumartik, 2024). The comparable magnitude of the climate effect ($\beta = 0.398$) relative to leadership ($\beta = 0.421$) challenges the assumption that leadership dominates climate in temporary work settings.

Through the lens of psychological safety theory (Edmondson, 1999), freelance workers enter organizations as outsiders, lacking the informal knowledge that permanent employees accumulate over time about "how things really work." A positive organizational climate characterized by communication transparency and procedural clarity reduces the ambiguity costs that freelancers face. When climate provides clear signals about role expectations, reporting structures, and performance criteria, freelancers can allocate cognitive resources to task execution rather than environmental scanning. The significant effect ($\beta = 0.398$) suggests that climate substitutes for the informal socialization that freelancers miss by not being permanent employees.

From organizational support theory (Eisenberger et al., 1986), perceived organizational support (POS) may be particularly consequential for freelancers who lack formal employment protections. Unlike permanent employees who have contracts, benefits, and grievance procedures, freelancers evaluate organizational support primarily through climate perceptions—the fairness of treatment, the availability of resources, and the quality of interpersonal interactions. The significant climate-performance relationship extends prior work by suggesting that for freelancers, climate perceptions may directly substitute for formal commitment mechanisms—an interpretation consistent with Bolt et al. (2022), who documented weakened attachment among gig workers, but adds that climate can partially offset this deficit.

The Complementary Roles of Leadership and Climate

Synthesizing both findings, transformational leadership and organizational climate function as complementary balancing mechanisms that address the two fundamental vulnerabilities of gig work: weakened commitment (Bolt et al., 2022) and coordination fragmentation (Wood et al., 2019). Transformational leadership compensates for weakened commitment by temporarily activating intrinsic motivation, situational identification, and relational psychological contract elements—mechanisms that permanent employees derive from stable organizational membership. Organizational climate compensates for coordination fragmentation by providing transparent communication, clear role expectations, and psychological safety—conditions that reduce the ambiguity costs freelancers face when entering new project teams.]

The near-equivalence of leadership and climate effects (β difference = 0.023, statistically nonsignificant) raises an important theoretical question: do these constructs operate independently or synergistically? The Fornell-Larcker results and HTMT indicate they are distinct but related constructs. However, the comparable effect sizes may also reflect that in freelance contexts, climate partially embodies leadership—freelancers may perceive organizational climate as a direct reflection of project manager behavior rather than as an independent organizational property. This potential measurement overlap warrants investigation in future research using nested designs or qualitative methods to disentangle leadership and climate perceptions among freelancers.

As Wood et al. (2019) documented, the flexibility that defines gig work simultaneously enables operational agility and creates coordination fragmentation. Bolt et al. (2022) similarly identified a paradox: the non-permanent nature of gig employment weakens

attachment, yet organizations still require commitment-like behaviors during project execution. This study's findings suggest that transformational leadership and organizational climate serve as institutional correctives to these structural contradictions—they do not resolve the fundamental tension between flexibility and commitment, but they mitigate its performance consequences. However, this interpretation raises a critical question that the current study cannot answer: are these effects sustainable over time? Longitudinal research is needed to examine how leadership and climate effects accumulate or decay across multiple project engagements.

Contextualization Within Gig Economy Contradictions

Findings must be interpreted within the inherent contradictions of gig economy employment. As Wood et al. (2019) documented, the flexibility that defines gig work simultaneously enables operational agility and creates coordination fragmentation. Bolt et al. (2022) similarly identified a paradox: the non-permanent nature of gig employment weakens attachment, yet organizations still require commitment-like behaviors during project execution. This study's findings suggest that transformational leadership and organizational climate serve as institutional correctives to these structural contradictions—they do not resolve the fundamental tension between flexibility and commitment, but they mitigate its performance consequences. However, this interpretation raises a critical question that the current study cannot answer: are these effects sustainable over time? Longitudinal research is needed to examine how leadership and climate effects accumulate or decay across multiple project engagements.

The model explained 62.3% of variance in freelance crew performance ($R^2 = 0.623$), leaving 37.7% unexplained. While this represents a large effect size by conventional standards (Cohen, 1988), the substantial unexplained variance warrants theoretical attention. Several candidate variables may explain this residual variance in freelance contexts specifically: (1) individual differences such as proactive personality, self-efficacy, and prior experience; (2) project-level variables including complexity, client pressure, and time scarcity; (3) economic factors such as compensation adequacy and payment timeliness; and (4) psychological states including job insecurity and emotional exhaustion—well-documented in gig economy research (Wood et al., 2019; Bolt et al., 2022) but not measured in this study

CONCLUSION

This study examined the influence of transformational leadership and organizational climate on freelance crew performance within an event management company operating in the gig economy. Based on the analysis of 95 freelance crew members using PLS-SEM, three main conclusions emerge. First, transformational leadership exerts a positive and significant effect on freelance crew performance ($\beta = 0.421$, $p < 0.001$). Second, organizational climate also exerts a positive and significant effect ($\beta = 0.398$, $p < 0.001$). Third, both variables jointly explain 62.3% of the variance in freelance crew performance ($R^2 = 0.623$), representing a large effect size.

This study makes three theoretical contributions. First, it extends transformational leadership theory to freelance contexts by demonstrating that leadership effects remain significant even when leader-member relationships are temporary. Second, it specifies how organizational climate functions as a substitute for socialization among non-permanent

workers. Third, it advances gig economy research by empirically testing compensatory mechanisms that mitigate the flexibility-commitment tension inherent in gig work.

Event management companies should invest in project manager transformational leadership training and systematically improve organizational climate—particularly communication transparency, role clarity, and psychological safety. Organizations cannot rely exclusively on either mechanism; leadership and climate are complementary, not substitutable.

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