

Employee Engagement as Mediator of Distributive Justice, Islamic Workplace Spirituality, and Work Life Balance on Employee Performance in Islamic Banking

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ABSTRACT

This study aims to examine the influence of distributive justice, Islamic spirituality in the workplace, and work-life balance on employee performance through employee engagement. This study develops the variables of workplace spirituality and work-life balance from an Islamic perspective. This study uses a quantitative approach with a saturated sampling technique. Data were collected through a questionnaire from 323 Sharia Bank employees in Cirebon City and Regency, Indramayu Regency, Majalengka Regency, and Kuningan Regency. Data analysis used SEM PLS processed using smart-PLS software. The results of the study indicate that in the direct influence test, namely distributive justice, Islamic spirituality in the workplace and work-life balance have a significant positive effect on employee performance. Likewise, indirect influences, namely distributive justice, have a significant effect on employee performance through employee engagement, and Islamic spirituality in the workplace has an effect on employee performance through employee engagement, and work-life balance has a positive effect on employee performance through employee engagement. The findings of this study confirm organizational behavior theory and reinforce social exchange theory, which holds that high engagement fosters enthusiasm and dedication to work, thereby improving performance. Likewise, Islamic spiritual values need to be implemented beyond mere symbolic meaning.

Keywords: *Distributive justice; employee engagement; employee performance; islamic workplace spirituality; work-life balance.*



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INTRODUCTION

Employee engagement has become a key focus for management. It is considered crucial to organizational effectiveness and has garnered greater attention in human resource development, becoming a major topic of research. Employee engagement is a vital component of human resources, used to communicate the organization's core objectives to employees and top management (Gupta et al., 2023). In Islam, balancing worldly and spiritual life is considered a fundamental principle of life. This teaching emphasizes that one must continue to fulfill worldly obligations, such as working, while not neglecting spiritual responsibilities, such as worship and nurturing one's spiritual life (Firdaus & Ida, 2025; Gupta et al., 2023). One of the first researchers to identify the concept of employee engagement was William Kahn, who defined it as the extent to which organizational members commit themselves to their work roles (Tortorella et al., 2025). Thus, employee engagement has become a topic of interest in relation to organizational success. Employee engagement refers to the level of emotional involvement and commitment employees have toward their work and organization, and it is a key factor in work-life balance and employee performance.

One example is the Islamic bank Bank Syariah Indonesia (BSI). According to BSI's 2020 sustainability report on social performance, the bank prioritizes employee engagement as a key focus in human resource management; the employee engagement rate was recorded at 80.5% in both 2019 and 2020. This indicates that employee engagement is a critical issue in banking practices for ensuring organizational sustainability. Similarly, the turnover rate stood at 5.6% in 2019 and 3.4% in 2020, indicating that the organization is able to retain its employees. Employees who are engaged tend to be more motivated in their work, making the likelihood of them leaving the organization relatively low. Based on these findings, employee engagement is not only crucial for business sustainability but also for achieving performance goals.

In addition to employee engagement, distributive justice and workplace spirituality are also key variables in enhancing organizational performance. Workplace spirituality has become an increasingly prominent topic, as employees seek more than just financial rewards from their jobs. This concept encompasses the search for meaning and purpose in work, as well as the importance of social relationships among colleagues in creating an environment that supports personal and professional growth. Within organizations, including Islamic banking institutions, workplace spirituality not only enhances individual satisfaction but also plays a crucial role in strengthening work engagement and organizational commitment. Distributive justice is a fundamental aspect of Islamic economics. This concept emphasizes the fair and equitable distribution of resources and wealth within society. In the study by Pane et al. (2025), distributive justice, rooted in the values of *tawhid*, *khilafah*, and *maslahah*, emphasizes that wealth is a trust from Allah the Almighty and must be managed and distributed fairly to achieve the common good. In practice, this principle is realized through instruments such as zakat, waqf, and the Islamic banking system, which serve as mechanisms for redistributing wealth and reducing economic inequality. Islamic economics advocates implementing a Sharia-based system that prohibits usury, speculation, and monopolies. The goal of this system is to create fair and transparent markets and to prevent exploitation and inequality (Nihayah & Rifqi, 2023). The concept of justice in Islamic economics provides a solid foundation for creating an economic system that prioritizes sustainability and the overall well-being of humanity. The prohibition of usury in the Qur'an underscores the importance of preventing injustice in economic activities. Muslims not only fulfill their Sharia obligations but also build an economic system that is fair, sustainable, and inclusive. The existence of Islamic banking as an interest-

free alternative offers a practical solution to the challenges of the modern economy (Indrayani & Mawardi, 2025).

Optimal performance can be achieved by improving the quality of employees' work lives, including a comfortable environment, work-life balance, and recognition for their contributions. Furthermore, workplace spirituality plays a role in creating meaning, work engagement, and a sense of community that supports improved performance (Wikarno, 2025). Change is an inseparable part of human life. Over the centuries, management practices have continuously evolved, and modern management is now adopting workplace spirituality to improve employee well-being and create harmony within the organization. However, few companies make employees aware of the importance of workplace spirituality. Yet, this concept can have a positive impact across various organizational environments, regardless of cultural or demographic differences (Raamkhumar & Swamy, 2023). Although numerous studies have addressed employee engagement, distributive justice, and workplace spirituality, understanding the interaction between these three elements in Islamic banking in Indonesia remains limited. Islamic banking faces challenges such as low levels of employee engagement, dissatisfaction with distributive justice, and a lack of attention to Islamic spirituality in the workplace. These conditions can hinder the achievement of organizational goals and negatively impact overall performance.

Work-life balance is essential and requires contributions from both individuals and organizations. Individuals are expected to manage stress, manage their time, and allow time for relaxation. Meanwhile, organizations need to support this by establishing consistent home hours, providing enjoyable activities, and providing motivators to help employees recharge. With the support of both parties, optimal employee performance will contribute to the company's success (Nurgazali et al., 2023). In Islam, balancing worldly life and the afterlife is considered a fundamental principle of life. This teaching emphasizes that one must fulfill worldly obligations, such as work, without neglecting spiritual responsibilities, such as worship and the development of a spiritual life (Firdaus & Ida, 2025).

After reviewing various references on distributive justice, employee engagement, work-life balance, and employee performance, a research gap regarding the study's topic was identified. Discrepancies in the results of previous studies indicate the need for further research. This study will help determine whether the findings align with or differ from those of most previous studies. Thus, this study focuses on employee engagement as a mediating variable in the relationship between distributive justice, Islamic spirituality in the workplace, and work-life balance on the performance of Islamic bank employees. The research questions in this study are: (1) Do distributive justice, Islamic spirituality in the workplace, and work-life balance influence the engagement and performance of Islamic bank employees? (2) Does employee engagement influence the performance of Islamic bank employees? (3) Does employee engagement mediate the effects of distributive justice, Islamic spirituality in the workplace, and work-life balance on the performance of Islamic bank employees?

The novelty of this study lies in its approach to addressing these challenges and suggestions. This study contributes theoretically by integrating distributive justice, Islamic workplace spirituality, and work-life balance into a single model with employee engagement as a mediating variable. Empirically, this study demonstrates the role of employee engagement as a mechanism linking organizational and spiritual factors to performance. In practical terms, the results of this study provide recommendations for Islamic bank management to improve employee performance by strengthening fairness, work-life balance, and spiritual values.

Furthermore, a further novelty of this study lies in the development of variables for Islamic spirituality in the workplace and work-life balance from an Islamic perspective. This differs from prevailing societal concepts, as it is grounded in the Quran and Hadith and responds to recommendations to introduce a more specific spiritual concept. Additionally, this study addresses inconsistent relationships among variables by positioning employee engagement as a mediating variable. In addition, previous research generally only tested one or two variables separately. Meanwhile, this research builds a more comprehensive model to explain the behavior and performance of Islamic bank employees.

LITERATURE REVIEW

Social Exchange Theory

Social exchange theory is considered one of the most dominant theories for explaining behavior in organizations (Cropanzano & Mitchell, 2005). Social exchange theory is an economic model that emphasizes the dynamics of relationships, including how they are formed, maintained, and potentially terminated. The basic assumption of this theory is that individuals are motivated by their self-interest (Kelley, 1959). Social exchange assumes that individuals seek to maximize their personal gains with minimal sacrifice in a relationship. This assumption is objective because humans are entirely rational beings (Sidharta, 2020). According to Blau (1964), one of the figures who developed social exchange theory using an economic approach, he emphasized technical analysis in this field. He argued that if too much focus is placed on the individual, as in the psychological perspective of social exchange theory, another important aspect, namely social exchange itself, can be neglected. He viewed social exchange as a fundamental process in social life that shapes relationships both between individuals and between groups. His primary focus is on the reciprocal exchange of extrinsic benefits and the formation of associations and social structures that arise from such interactions

Perceived Organizational Support

This theory of organizational support was put forward by Eisenberger et al. (1986) and examines how individuals assess and respond to the support provided by their organization. This theory emphasizes the relationship between employees and the organization, as well as the impact of employees' perceptions of the support they receive on performance. According to Rhoades and Eisenberger (2002), POS refers to the extent to which an organization cares about employee welfare, listens to their concerns, pays attention to their personal lives, and treats employees fairly. According to Kurniawan and Harsono (2021), POS is an individual employee's belief that the organization values what they do and cares about their well-being. The presence of organizational support encourages the mechanism of reciprocity norms. POS is an individual employee's belief that the organization values their work and cares about their well-being. The presence of organizational support fosters a norm of reciprocity, assuming employees feel obligated to contribute to the organization. The consequences of this support are stronger when the organization's attention is perceived as generosity rather than coercion. The consequences of POS can include individual well-being benefits, such as the fulfillment of social and emotional needs, and organizational benefits, such as improved performance.

Hypothesis Development

Distributive Justice and Employee Performance

Distributive justice is an important factor that encourages increased employee performance. The higher the level of distributive justice in a company, the better employees will perform in carrying out their duties. In other words, increased distributive justice will significantly impact employee productivity and effectiveness

at work (Jufrizen & Hamdani, 2023). When an employee perceives high levels of fairness in their performance outcomes, they are more likely to contribute significantly to the organization's goals and objectives (Dike et al., 2021). Organizational justice positively impacts employee performance. Management must ensure that justice is reflected in all rules and practices (Dian Puspita et al., 2025). When employees feel treated fairly, they tend to perform better and provide better service to customers. This is crucial in the Islamic banking industry, where ethical service and customer satisfaction are key factors in a bank's success.

H1: Distributive justice impacts employee performance.

Islamic Spirituality in the Workplace and Employee Performance

Most organizations have leveraged workplace spirituality to develop human resource quality and achieve optimal performance. Research by Nurgazali et al. (2023) found that workplace spirituality has a significant impact on performance. This influence is evident in the way employees seek meaning and purpose in life, as reflected in their interpretations of work. This interpretation is based on a set of highly valued personal values. Workplace spirituality incorporates spiritual values and practices into organizational culture (Ashmos & Duchon, 2000). Workplace spirituality is now a significant area of research, highlighting the role of spiritual values in enhancing the well-being of both individuals and organizations (Sode et al., 2024). Workplace spirituality positively affects employees' psychological well-being. Workplace spirituality can balance various aspects of employee and organizational life (Haldorai et al., 2020).

H2: Islamic spirituality in the workplace influences employee performance

Work-life Balance and Employee Performance

According to Greenhaus and Allen (2011), work-life balance refers to the extent to which an individual can negotiate and integrate roles across their work and personal life harmoniously, without causing significant conflict. Employees who balance work and non-work roles tend to perform better, so it is important for companies to implement policies that support work-life balance (Tamunomiebi & Oyibo, 2020). An Islamic-based approach to work-life balance has a significant impact on employee performance by increasing job satisfaction and physical and mental health, and by reducing stress and role conflict. Implementing Islamic ethical principles helps employees achieve an optimal balance, which improves overall performance. Employees with a good work-life balance tend to have higher performance and greater life satisfaction (Firdaus & Ida, 2025).

H3: Work-life balance affects employee performance.

Distributive Justice and Employee Engagement

According to Alzeaiden et al. (2026), there is a significant relationship between the dimensions of organizational justice, namely distributive justice, procedural justice, and interactional justice, and work engagement. In addition, Mubashar et al. (2022) suggest that a justice-based relationship between an organization and its employees can build employees' trust in the organization, thereby increasing their work engagement and organizational involvement. Schierholt et al. (2023) also add that justice is a fundamental element in maintaining the sustainability of social relationships because it can strengthen commitment, increase cooperation, and create an environment where individuals feel valued and treated fairly, even in situations full of uncertainty. Organizational justice is understood as employees' subjective perceptions of the fairness in the treatment, procedures, and distribution of outcomes they receive. This perception plays a significant role in shaping employee engagement, attitudes, and work behavior, thereby contributing to organizational effectiveness and performance.

H4: Distributive justice influences employee engagement

Islamic Spirituality in the Workplace and Employee Engagement

According to Schaufeli and Bakker (2010), *engagement* is a work-related mental state that reflects an employee's cognitive, emotional, and physical commitment to their role. Employee engagement tends to be more prevalent among employees with high levels of spirituality. The higher a person's spirituality, the greater their involvement in their work. According to Margaretha et al. (2021), workplace spirituality directly influences employee engagement. In addition, workplace spirituality has a positive and significant impact on employee engagement and organizational citizenship behavior (Mariani et al., 2020).

H5: Islamic spirituality in the workplace influences employee engagement.

Work-life Balance and Employee Engagement

Work-life balance and employee engagement are considered potential catalysts for a company's sustainable growth. Thus, employees' ability to achieve a balance between work and personal life, with organizational support, will contribute to increased work engagement and better performance (Jaharuddin & Zainol, 2019). Work-life balance contributes to increased employee engagement. Employees who have a good balance tend to be more dedicated than those who lack it.

H6: Work-life balance influences employee engagement.

Employee Engagement and Employee Performance

Jeganathan and Navamani (2025) show that many scientific publications have found a significant relationship between employee engagement and employee performance. According to Ginting et al. (2025), employee engagement has a major influence on employee performance. Likewise, research from Prabowo and Wahyuningtyas (2025) shows that employee engagement significantly impacts employee performance. Employee engagement plays a vital role in driving organizational competitiveness. Employee engagement and empowerment have a positive and significant impact on employee performance, ultimately supporting the achievement of organizational goals. The level of employee emotional engagement with their work plays a crucial role in achieving performance. Individuals who will contribute to improving the overall performance of the organization (Hidayati et al., 2024).

H7: Employee engagement influences employee performance.

Mediating Hypothesis

Distributive justice is based on the theory of justice proposed by Adams and Freedman (1976), which explains the relationship between employees and leaders in an organization. In this relationship, employees contribute their time and effort to the organization, while leaders provide compensation in the form of rewards and recognition commensurate with their work results. Employee engagement serves as a mediating variable, helping reduce the impact of distributive injustice on employee performance. Research shows that employee engagement, as a mediating variable, plays a significant role in mitigating the negative influence of distributive injustice on employee performance (Suswanto et al., 2023). A study from Özer et al. (2017) revealed that perceptions of organizational justice significantly increase employee engagement. Regarding work engagement, procedural justice has the greatest influence, followed by distributive and interactional justice.

Employee engagement can be an important mediator in the relationship between workplace spirituality and employee performance. This means that workplace spirituality has a positive impact on employee engagement, which in turn improves employee performance. In a spiritually oriented work environment,

employees feel that their work has deep meaning and is valued by an organization that cares about their well-being and development.

According to Alviana and Imron (2024), self-efficacy and work-life balance have a positive and significant influence on employee performance, with employee engagement as a mediating variable. This study found that employee engagement can also be a mediator between influences on work-life balance and employee performance

H8: Employee involvement mediates the influence of distributive justice on employee performance.

H9: Employee engagement mediates the influence of Islamic spirituality in the workplace on employee performance

H10: Employee engagement mediates the influence of work-life balance on employee performance.

RESEARCH METHOD

This research uses a quantitative approach. This approach is used to analyze data from specific populations and samples, with data collection conducted using research instruments that yield quantitative results. This type of research is causal, testing the cause-and-effect relationship between two or more variables, involving independent and dependent variables. The primary data source used in this study was a questionnaire distributed to Islamic bank employees. The population in this study was Islamic bank employees in the Cirebon, Indramayu, Majalengka, and Kuningan areas. The Islamic banks are Bank Syariah Indonesia (BSI), Bank Muamalat, Bank Jabar Banten Syariah, Bank Syariah Nasional (BSN), Bank Nano Syariah, CIMB Niaga Syariah, and Maybank Syariah. The sampling technique used was non-probability sampling with a saturated sampling method. The sample size in this study was 323 Islamic bank employees. The data collection technique used a questionnaire distributed to Islamic bank employees. The questionnaire used a Likert scale with three independent variables, one dependent variable, and one mediating variable. The operational definitions of variables and variable indicators are shown in Table 1 below.

Table 1. *Operational definitions of variables and indicators*

Construct	Definition	Indicator
Employee performance	Employee performance is the work result or output achieved by an employee in carrying out his duties and responsibilities at work (Robbins & Judge, 2017)	Work quality quantity timeliness effectiveness independence
Employee engagement	Engagement is defined as a positive, satisfying, and work-related state of mind characterized by enthusiasm, dedication, and absorption (Schaufeli & Bakker, 2010)	Vigor Dedication Absorption
Distributive justice	Employee perceptions of fairness or justice in the distribution of results and work rewards (Colquitt, 2001)	Equity Equality Needs
Islamic spirituality in the workplace	Islamic spirituality includes efforts to get closer to Allah, caution in acting, consistency in following the commands of Allah the Almighty (Adawiyah & Pramuka, 2017)	Religiosities Spiritual values in the workplace
Work-life balance	A condition where an employee manages the balance between work	Time balance in Islamic perspective.

time at work and personal needs and balances worldly life and the hereafter (Muafi, 2021)

Involvement balance in Islamic perspective. Satisfaction balance in Islamic perspective.

Data analysis techniques and hypothesis testing in this study were conducted using Structural Equation Modeling based on Partial Least Squares (PLS-SEM). The data analysis technique uses SEM PLS. through three stages, namely (1) the outer model, which functions to evaluate the relationship between indicators (measurement variables) and constructs (latent variables) being studied; (2) model fit; (3) inner model.

RESULTS

Description of Research Variables

Based on responses from 323 respondents, they were grouped descriptively using statistical analysis and categorized by interval calculations for each research variable. The average total score for the indicator, based on respondents' assessments of employee performance, will provide a comprehensive picture of how employees perceive the implementation of their duties. Most respondents gave a positive score (4.04) for employee performance, which means that Islamic bank employees meet expectations in the measured performance aspects. Respondents' overall responses to employee engagement were good (4.01). This positive assessment of employee engagement can serve as a basis for maintaining and strengthening the relationship between employees and the organization. Respondents' responses to distributive justice (score 3.91) were good. However, this average score has not reached the maximum score; thus, it still needs improvement, including by increasing the transparency of the reward system. Meanwhile, the variable of Islamic spirituality in the workplace (4.37) shows that respondents' responses to Islamic spirituality in the workplace are very good. In addition, the work-life balance variable of 4.30 shows that respondents' response to work-life balance is very good.

Reporting Research Results

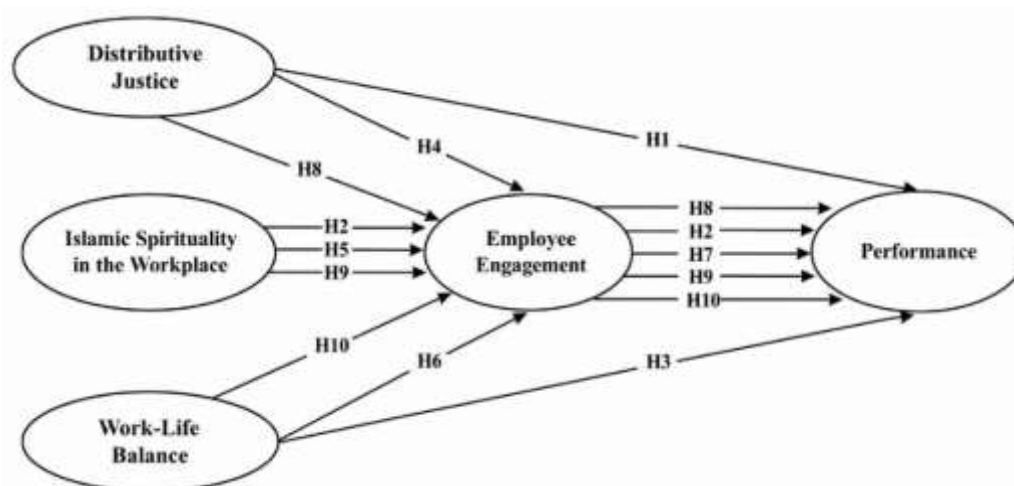


Figure 1. *Framework*

Figure 1 is the model used in this study. The testing carried out in this study comprised three stages: outer model analysis, model feasibility analysis, and inner model analysis. In the outer model, the stages are: (a) cross-loading. The calculation of cross-loading is done by comparing the loading factor on the original construct, which must be greater than the other constructs, and all variables have fulfilled the cross-loading. In the distributive justice variable, all statement items have met the

cross-loading requirements. Meanwhile, in Islamic spirituality in the workplace, work-life balance, employee performance, and employee engagement, there are still several statement items that have not met the cross-loading requirements. In the Islamic spirituality variable in the workplace, there are 3 items; the work-life balance variable has 8; and the employee performance variable has 6. In the employee engagement variable (Z), there are 7 statement items. Thus, these statement items were removed from the study, and the cross-loading analysis was repeated to ensure that all remaining indicators met the required criteria.

The measurement model was then evaluated using the following criteria: (a) the outer-loading indicators have high loading factors (more than 0.7), and the results of the outer loading calculation in this study meet all the indicators; (b) Average Variance Extracted (AVE), an AVE value greater than 0.5 indicates that the construct is said to be valid; (c) Composite reliability is greater than 0.7, so it meets the composite reliability requirement; (d) Cronbach's Alpha is an important tool for measuring construct reliability. Having an alpha value above 0.7 indicates good reliability; (e) HTMT, which measures discriminant validity, shows a value below 0.85. The HTMT Heterotrait-Monotrait Ratio is acceptable because all variables are less than 0.85. Table 2 shows the results of AVE, CR, and Cronbach's Alpha.:

Table 2. Validity and reliability

Construct	Average Variance Extracted	Composite reliability	Cronbach's Alpha
Distributive justice	0.702	0.955	0.946
Islamic workplace spirituality	0.589	0.935	0.923
Work life balance	0.640	0.947	0.937
Employee performance	0.586	0.927	0.912
Employee engagement	0.622	0.943	0.932

Source: Data processed by the author (2026)

The next test is model fit using the Standardized Root Mean Square (SRMR) to measure the extent to which the proposed model fits the observed data. Based on the output in Table 3, the SRMR value obtained was 0.061. This value is less than 0.08, indicating a very good fit and no problems with the fit between the models.

Table 3. Model fit

	Saturated Model	Estimated Model
SRMR	0.061	0.061
d_ ULS	4.341	4.341
d_ G	2.170	2.170
Chi-Square	3.553.280	3.553.280
NFI	0.747	0.747

Source: Data processed by the author (2026)

Next, we test the inner model. The inner model, or structural model, in PLS-SEM describes the relationships among the latent constructs. Path coefficients describe the causal relationships within the inner model and measure the direct influence between variables in the PLS-SEM model. The values considered in this path coefficient are the original sample, the T-statistic, and the P-value. Original Sample (O) shows the strength and direction of the causal relationship between two latent variables in the model. The T-Statistic shows how likely it is that the calculated path coefficients appeared by chance (random). The criteria for the t-statistic are: if

the t-statistic is ≥ 1.96 , the relationship is significant; if the t-statistic is < 1.96 , the relationship is not significant. The criteria for assessing the P-Value are: if the p-value is ≥ 0.05 , the relationship between the variables is not significant; if the p-value is < 0.05 , the relationship between the variables is significant. Table 4 presents path coefficient results. Based on Table 4, the direct influence between variables shows a significant influence, while Table 5 shows a significant indirect influence.

Table 4. *Path coefficient result*

	Original Sample	T Statistics	P- Values	Category
Distributive justice -> Employee performance	0.165	2.515	0.012	Significant
Distributive justice -> Employee engagement	0.352	6.747	0.000	Significant
Islamic workplace spirituality -> Employee performance	0.114	2.053	0.041	Significant
Islamic workplace spirituality -> Employee engagement	0.131	2.483	0.013	Significant
Work life balance -> Employee performance	0.222	3.141	0.002	Significant
Work life balance -> Employee engagement	0.431	7.158	0.000	Significant
Employee engagement -> Employee performance	0.387	4.779	0.000	Significant

Source: Data processed by the author (2026)

Table 5. *Specific indirect effect results*

	Original Sample	T Statistics	P Values	Category
Distributive justice -> Employee engagement -> Employee performance	0.136	4.348	0.000	Significant
Islamic workplace spirituality-> Employee engagement -> Employee performance	0.051	2.020	0.044	Significant
Work life balance -> Employee engagement -> Employee performance	0.167	4.073	0.000	Significant

Source: Data processed by the author (2026)

The next mediation analysis uses VAF (Variance Accounted For). This method is useful for measuring the magnitude of the mediation effect, namely, how much the mediator variable absorbs the influence of the independent variable on the dependent variable (Hair et al., 2021).

Table 6. *Results of the Variance Accounted For (VAF) Mediation Analysis*

Influence of Variables	Total Indirect Effect	Total Effect	Value	Category
Distributive justice → Employee performance	0.136	0.301	0.452 (45.2%)	Partial Mediation

Islamic spirituality → workplace performance	workplace Employee performance	0.051	0.165	0.309 (30.9%)	Partial Mediation
Work life balance → Employee performance		0.167	0.389	0.429 (42.9%)	Partial Mediation

Source: Data processed by the author (2026)

Based on the output results in Table 5, distributive justice partially mediates employee performance, Islamic spirituality in the workplace partially mediates employee performance, and work-life balance partially mediates employee performance.

DISCUSSION

Social exchange theory underpins this research. Social exchange theory can explain individual perceptions of distributive justice, Islamic spirituality in the workplace, work-life balance, employee engagement, and employee performance. Distributive justice, Islamic spirituality in the workplace, and work-life balance influence the engagement and performance of Islamic bank employees. This finding strengthens the proposed Equity theory. Adams and Freedman (1976) found that individuals assess fairness in the workplace by comparing their input and output with those of others. Distributive justice can be achieved when inputs and outcomes are comparable to those obtained by colleagues; if the comparison or proportion is greater or smaller than what employees consider fair, it is considered unfair. Social Exchange Theory states that the relationship between individuals and organizations is based on the principle of reciprocal exchange. Employees perceive positive treatment from the organization, and the organization provides a work environment aligned with spiritual values, thus improving employee performance. The research findings also align with this view. Ashmos and Duchon (2000) state that workplace spirituality is related to the search for meaning and purpose in work, not merely to improving work performance. The results of this study are also supported by previous research presented by Wikarno (2025), which shows that work-life balance directly contributes to improved performance. According to Muafi (2021), an Islamic perspective on work-life balance can improve performance. Employees who maintain a balance between work and non-work roles tend to perform better (Tamunomiebi & Oyibo, 2020).

Employee engagement influences employee performance at Islamic banks. These findings indicate that employees who perceive a fair distribution of results, rewards, and opportunities will demonstrate high levels of work engagement across energy (vigor), dedication, and absorption. Social exchange theory posits that in social relationships, elements of reward, sacrifice, and benefit influence one another (Sunnyoto & Kalijaga, 2022). This is in line with the social exchange theory, which states that employees who receive more challenging work assignments tend to feel obliged to respond with a higher level of engagement. Research by Awu and Darius (2025) explains that the level of employee engagement plays a major role as a determinant in improving job performance and employee retention, emphasizing the role of engagement as a key factor in achieving performance. Ismail et al. (2019) explain that engagement is a crucial factor in improving performance. Employees who feel valued and emotionally engaged with the organization tend to be more committed to achieving organizational goals.

Employee engagement mediates the influence of distributive justice, Islamic spirituality in the workplace, and work-life balance on the performance of Islamic bank employees. These findings reinforce the view that employees' perceptions of distributive justice foster feelings of appreciation, which in turn increases their

enthusiasm and dedication to their work. In Islamic banks, well-implemented distributive justice reflects a commitment to Islamic values such as *'adl* (justice), *amanah* (trustworthiness), and *ihsan* (professionalism). When Islamic values are implemented, employees feel appreciated, which increases their work engagement and, in turn, leads to better performance. The results of this study are in line with previous research, namely Pakpahan et al. (2020), which found that distributive justice influences engagement, which in turn has a significant impact on employee performance. Abu-Mahfouz (2025) found that employee engagement partially mediates the relationship between organizational justice and organizational performance. Gomes and Marques (2025) explain that organizational justice has an important role in improving employee performance and work engagement. Islamic spirituality in the workplace can enhance the meaning of work because employees view it as an act of worship and a matter of trust. While Islamic spirituality in the workplace can increase employee dedication to their work, increased engagement is not always strong, as vigor and absorption are more influenced by organizational conditions. High individual spiritual values provide inner peace, but do not always translate into extra vigor or dedication to organizational tasks.

CONCLUSION

Based on the results of testing the hypothesis, it indicates that (1) distributive justice, Islamic spirituality in the workplace, and work life balance have an influence on the involvement and performance of Islamic bank employees; (2) employee involvement has an influence on the performance of Islamic bank employees; (3) employee involvement mediates the influence of distributive justice, Islamic spirituality in the workplace and work life balance on the performance of Islamic bank employees. These findings confirm organizational behavior theory. When employees feel they can manage their personal and work lives well, they are more engaged in their work. This contributes significantly to the development of theories related to employee engagement, which state that employee involvement in their work is directly related to increased performance, where high involvement encourages enthusiasm and dedication, which will improve work results. Islamic spiritual values need to be implemented beyond mere symbolic meaning. Sharia banks need to integrate Islamic values into their codes of ethics and standard operating procedures (SOPs); thus, every operational activity reflects Sharia principles, and spirituality transcends mere ceremonial activities such as communal prayer or religious sermons. Further research is expected to broaden and deepen this study, for example, by including provincial or national scales. This expansion aims to test consistency with the characteristics of different regions. Future research is recommended to explore and expand the study by incorporating additional relevant variables, including aspects of technological adaptation such as Artificial Intelligence (AI). The addition of this variable aims to examine whether the use of technology in Islamic banking operations affects employees' perceptions of workload, work-life balance, and overall performance.

LIMITATION

The research area is limited to the cities and regencies of Cirebon, Majalengka, Kuningan, and Indramayu. This study used Islamic bank employees as its sample, providing valuable insights into the Islamic banking industry. However, different sectors may have different dynamics in Islamic spirituality, work-life balance, and employee engagement. Further research could explore other sectors, such as multinational corporations, manufacturing, or healthcare, to determine whether the findings can be generalized beyond the Islamic banking sector.

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