

LINKING LEADER MEMBER EXCHANGE AND PERSON SUPERVISOR FIT WITH EMPLOYEE PERFORMANCE: THE MEDIATING ROLE OF EMPLOYEE WORK ENGAGEMENT

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ABSTRACT

Closeness and compatibility between leaders and subordinates significantly affect the comfort of work, which results in employee performance. Through satisfaction in working, it can create employee engagement, which can contribute to improving employee performance. This study aims to determine the effect of leader-member exchange and person supervisor fit on employee performance mediated by work engagement on Syariah Bank employees in the Special Region of Yogyakarta. The sample in this study amounted to 132 employees using purposive sampling techniques whose data collection uses cross-sectional analysis with the level of analysis of individual samples. This research uses Structural Equation Modeling (SEM) to analyze the data. The results showed that the leader-member exchange and person supervisor fit had a positive effect on work engagement, and work engagement had a positive impact on employee performance. Also, this study demonstrates that work engagement is able to mediate the positive influence of leader-member exchange and person supervisor fit on employee performance. For this reason, it can be said that work engagement is an antecedent that shapes employee performance, which is preceded by leader-member exchange and person supervisor fit.

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1. Introduction

Employee performance significantly contributes to the development and improvement of team and company performance (Harris et al., 2019; Vosloban, 2012). In other words, good company performance also will form employee commitment and provide welfare for its employees (Ogbonnaya, 2019; Ogbonnaya & Messersmith, 2019). It can be said that high employee performance will have an impact on the welfare of the employees themselves. The company considers the ability of an employee who has great potential to create human capital from the company in order to have a competitive advantage and be able to achieve the company's goals and objectives. Companies that have high human capital will have an impact on innovation and company performance (Nunez & Prieto, 2019; Harris et al., 2019; Wang & Zatzick, 2019). In other words, employee performance that is formed from human capital is needed by the company to have a competitive advantage.

For employees' work can be completed correctly, it requires the control of a leader. One of the ways of controlling employee performance is by creating closeness with his subordinates or can be called leader-member exchange (LMX). LMX is a closeness that is built between leaders and their subordinates both in and outside formal work. Subordinates with high LMX will have higher performance and innovation compared to those with low LMX since subordinates with high LMX get more support and information on the work (Regts et al., 2019; Buch et al., 2019; Kim & Koo, 2017). High LMX can also increase OCB and minimize employee negative behaviors (Gooty et al., 2019; Anand et al., 2018; Zhao et

al., 2019). The LMX theory is very relevant to social exchange theory as a basis for examining work relationships between superiors and subordinates (Garg & Dhar, 2017). The occurring social exchanges show how power and influence between superiors and subordinates in the partnership with valuable resources (Dansereau et al., 1975).

Besides, the suitability or appropriateness of values between superiors and subordinates needs to be considered in order to produce excellent employee performance. When superiors and employees have a deep level of person supervisor fit (PS-Fit), they will have personal preferences with their superiors (Lankau et al., 2005). A superior who has conformity or similarity with a particular employee will trust the employees, respect, and provide support (Van Vianen et al., 2011). Support from superiors to subordinates will make the relationship between the two in good quality and bring benefits (Fan, 2018). Employees who have the same values as their superiors will maintain the relationship because it is considered valuable (Zhang et al., 2015), and the similarity of these values is vital for the bond created between superiors and subordinates (Marstand et al., 2018). Basically, people who have similar characteristics, such as personality, is more comfortable to interact and develop relationships (Lankau et al., 2005).

Relationships between superiors and subordinates cannot only be directly related to the resulting performance but can be influenced by employee engagement. Research by Breevaart et al. (2015) and Li et al. (2012) states that work engagement can mediate closeness between superiors and subordinates to employee performance.

Work engagement is a positive attitude related to work and is characterized by enthusiasm, initiative, and dedication (Schaufeli et al., 2006). Some researchers prove that work engagement can improve employee and company performance (Chacko & Conway, 2019; Rofcanin et al., 2019; Schneider et al., 2019). Through work engagement, the effects of LMX and PS-Fit on employee performance will be explained in this assessment.

The closeness eventually directs the leader to provide his employees' needs so that the employee will feel responsible for the work and strive to achieve the expected performance of the company. In addition, a leader who has good bonding with his subordinates will fully support the employee to have a clear role in the organization and produces excellent output (Nasr et al., 2019; Zheng et al., 2014). This full support makes employees increasingly tied to their work, which in turn results in maximum performance. This study aims to look at the effect of LMX and PS-Fit on employee performance with work engagement as a mediating variable. This research model will look at the role of work engagement as a mediating variable linking LMX and PS-Fit to employee performance. It can be said that the influence of LMX and PS-Fit cannot directly affect to employee performance but must go through work engagement.

This study tries to examine the problems of employees of Islamic banks, which is one of the fastest growing industries in Indonesia. Basically, Islamic banking is a public demand for the need banking institutions that are usury-free. In addition, the performance problems that occur in Islamic banks need to be studied because the majority of employees in Islamic banks do

not fully understand the business processes that occur in Islamic banks because it is a relatively new industry. For this reason, the role of a leader who will direct employees in carrying out the process is needed.

2. Literature Review

The theory of social exchange is based on the premise of human behavior or social interaction in the form of exchanges of both tangible and intangible activities, specifically rewards or costs. It means that there is an exchange of benefits between one another and becomes a phenomenon in social life (Zafirovski, 2005). Social exchange is social interaction, where one another considers the costs and benefits during the interaction process takes place (Homans, 1958). This interaction is a dyadic relationship between individuals, which explains the interaction between groups, both small and large groups (Adongo et al., 2019). In a company, social interaction between leaders and subordinates often occurs both formally and informally. This interaction creates closeness and the similarity of values between leaders and subordinates, thus creating employee engagement that results in performance improvement.

2.1. LMX, Peson Supervisor Fit, Work Engagement and Employee Performance

Leader-member exchange (LMX) is a dimension that must be possessed by an organization in order to create good education so that the relationship between leaders and subordinates can be harmonious (Zakiy, 2019). This relationship is a member perception of the characteristics of leaders, and vice versa (Joseph et al., 2011). The leader-member exchange theory distinguishes subordinates into in and out-groups. In essence, subordinates included in

the in-group will be more noticed by the leader and receive more resources, such as recognition and time. In addition, employees who are into the in-group will have a higher commitment and better performance than employees who are into the out-group (Kim et al., 2020; Greenberg & Baron, 2003). Employees who have a high-quality relationship with their superiors will also have a high-quality relationship with colleagues who share a high-quality relationship with their superiors (Brevaart et al., 2015). According to Liden & Maslyn (1998), the leader-member exchange has four dimensions: affection, contribution, loyalty, and professional respect that can improve the relationship between leaders and subordinates.

Person supervisor fit shows a match between a person and his leader in the work environment, and by far the dyadic suitability is the most studied in the work environment (Kristof-Brown et al., 2005). According to Waxley et al. (1980), person supervisor fit refers to the characteristics of superiors and subordinates, because they are considered important characteristics of superiors for employees. Interpersonal interest theory (Huston & Levinger, 1978) explains that person supervisor fit is a similarity between individuals and other individuals based on similar characteristics regarding activity preferences, life goals, values, personality, and so on. A boss and subordinate are said to be mutually compatible if there is a common interest between the two in terms of shared values, personal, work style, lifestyle, and leadership style. Besides person supervisor fit occurs if they have the same personality, and the suitability of values and goals (Schoon, 2008). Employees who feel that they have the same

personal characteristics as their superiors result in a good relationship between the two (Van Vianen et al., 2011). It should be noted that support from superiors to subordinates will make the relationship between the two in good quality and bring benefits. For example, employees receive benefits (Fan, 2018).

The concept of engagement was first introduced by Kahn (1990), which defines engagement as the mastery or domination of employees over their role in their work, where they will bind themselves to their work and pour in their work cognitively, physically, and emotionally. Work engagement is a positive attitude related to work, characterized by enthusiasm, initiative, and dedication (Venz et al., 2018; Schaufeli et al., 2006). Work engagement covers the basic dimensions of intrinsic motivation, which goal-oriented behavior and persistence to achieve shared goals with high activity, enthusiasm, being able to identify and be proud of the work done (Salanova & Schaufeli, 2008). According to Garg & Dhar (2017), work engagement is an important mindset, where a company must increase the dedication and strength of employees in work undertaken. Given the importance of work engagement, this action is not surprising as an effort to increase employee engagement in his work (Agarwal et al., 2012).

According to Schermerhorn (1999), performance is the quality and quantity of results achieved by individuals or groups at work. Robbins (2016) defines performance is the overall level of success of a person during a certain period in carrying out the task compared with various possibilities, such as targets, work standards, or criteria. Indicators of employee performance are

quality, quantity, output period, workplace attendance, and cooperative nature (Robbins, 2016). Performance is a behavior achieved by individuals so that results are in accordance with their roles and responsibilities within a certain period in a company (Hofmann et al., 2005). The employee's output is the result of the effort they made (Cristen & Soberman, 2006), where the supervisor is the direct supervisor of the results of the performance (Hunter, 1986). In order to always produce a good performance, a training program is needed to stimulate employees to improve the ability and performance of employees, which will have an impact on company productivity (Elnaga & Imran, 2013).

2.2 Hypothesis Development

When the leader and subordinates are engaged in the work, where the leader allows the subordinates to develop, given responsibility, and the subordinates must give higher returns so that one is bound to others. It is in line with research by Chaurasia & Shukla (2014), which states that LMX positively influences work engagement. The high leader-member exchange created makes a low desire for an employee to leave a company with the work engagement they have. The results of the research of Breevaart et al. (2015) states that employees will be bound to their jobs or have a high work engagement when they have a high-quality work relationship with their superiors. Their leaders or superiors facilitate their work processes with employee obligations resulting in high job performance in return. In addition, high-quality LMX also gives followers or subordinates more intrinsic appreciation (empowerment and praise) and extrinsic (salary increase), which naturally results in a positive attitude towards their work. Subordinates will appreciate superiors

who offer support, effective personal figures, and able to develop the abilities of subordinates (Agarwal et al., 2012) so that employees will be increasingly attached to their work because superiors fully support for the sake of the ongoing work process. Based on these reasons, the research hypothesis can be formulated as follows:

Hypothesis 1: Leader-member exchange has a positive effect on work engagement.

When the level of deep PS similarity a subordinate can have a high level of personal preference with their superiors, it can strengthen employees to develop positive feelings and more interaction with superiors (Zheng et al., 2014). The existence of positive emotions and more interaction will cause an employee to be able to invest themselves in their work, be responsible for what they do, and have high initiative. Employees who think that socializing is essential in a work interaction, they will prepare ideas and needs in accordance with their superiors' expectation (Fan & Han, 2018). The ideas contained will make the employee maximum in doing the tasks and conformity that the employer wants even makes them feel bound to the work. Employees believe that their superiors are a vital part of the organization and are able to control available resources (Zhang et al., 2015). The fits between the leader and subordinates makes employees feel membership in the organization and interpret their work well, so that employees are earnest in carrying out the tasks of superiors and attachment to their work increases. (Saripudin & Rosari, 2019; Rosa & Ancok, 2020). Based on these reasons, the research hypothesis can be formulated as follows:

Hypothesis 2: Person supervisor fit has a positive effect on work engagement.

According to Alessandri et al. (2018), employee involvement can bind individuals to invest in their work. Efforts and full participation in work activities can increase employee performance improvement. Employee engagement can form pleasure in work and be able to concentrate fully on the task (Agarwal et al., 2012), so they can perform high performance. In addition, employees will actively work according to their work engagement because employees with proactive personalities will know more about their work, how they perceive their abilities and challenge themselves to complete the task (Bakker et al., 2012). It should be noted that work engineering is vital for employee performance, they are able to realize what is essential to the organization and their performance so that they will focus on the work (Bakker et al., 2012). Research Mitchell et al. (2018) proves that work engagement can affect employee performance. Based on these reasons, the research hypothesis can be formulated as follows:

Hypothesis 3: Work engagement positively influences employee performance.

Breevaart et al. (2015) show that high-quality leader-member exchange (LMX) contributes to employee performance through work resources and work engagement. Employees who have a good quality of interaction with superiors are more active and enthusiastic in their work. It is because employees want to be deeply involved in a job. According to Kim & Koo (2017), employees who have high-quality relationships with their superiors will carry out their tasks in an innovative manner, which will later have an impact on an

excellent performance. It can be seen that employees dominate the work done. Then, the relationship established between superiors and subordinates must be considered. For example, how a superior can control subordinates with good communication so that the resulting performance will be on target (Li et al., 2012) because through the good relationship, employees are willing to be far involved from his work (Garg & Dhar, 2017). This involvement makes employees engaged in their work. For the same reason, when the quality of the relationship between superiors and subordinates is good, subordinates will feel more inclined to do their work with enthusiasm, initiative, and high dedication. They will also have an impact on meeting the demands of performance desired by their superiors. Based on these reasons, the research hypothesis can be formulated as follows:

Hypothesis 4: Work engagement mediates the positive influence of leader-member exchange on employee performance.

Employees will feel bound by work or have a work engagement, one of which is the similarity or compatibility between superiors and subordinates. If a leader feels comfortable with their direct subordinates, he will trust, respect, and support them. Leaders are able to give a lot of time and provide privileges for employees, such as ease of approval, support, and benefits (Zheng et al., 2014). Therefore, the perception of the similarity of levels in PS fit can lead to a definite sense of subordinate exchange and support. The match created will affect the output or the work produced by the employee so that it can be maximized with the similarity or compatibility of the two will

make it easier for employees to complete their work in accordance with the wishes of their superiors. As Fan and Han (2018) stated, employees whose job orientation matches their superiors tend to have higher-quality relationships. According to Wexley et al. (1980), employees who feel that their values match the values of their superiors, then they will be satisfied with the work done and the work environment. Satisfied with work means that they feel that the work they do is according to their standards because they feel attached to their work by dominating the work and as much as possible, giving excellent results. The existence of a match and the suitability of values between leaders and subordinates, making subordinates enjoy more at work and be tied to their work, which will have an impact on the performance expected by superiors and companies. It can be said that PS-Fit will have an effect on work engagement which will lead to an increase in employee performance. Based on these reasons, the research hypothesis can be formulated as follows:

Hypothesis 5: Work engagement mediates the positive influence of person supervisor fit on employee performance.

3. Method, Data, and Analysis

3.1 Sample and Procedures

Data collection was carried out at the individual level in the banking industry, namely 6 Syariah Banks in the Special Region of Yogyakarta. Since the Islamic Bank began to attract public interest, the banking target has also been increased. The sampling technique in this study was purposive sampling, with the requirement that employees have worked for at least one year. Among 210 questionnaires distributed to employees of Islamic Banks, 137 (65.24%) are returned, but only 132 answers (96.35%) are

valid. The respondents were 72 male (54.6%), and 60 female (56.4%). They are all on their productive age, with the age range of 20-30 by 53%. Most respondents (30.3%) have served for 1-3 years, 25% of respondents have 3-5 service years, and the rest have served for 7 years. Most respondents (86%) are bachelor graduates with an average monthly salary of 3-5 million. The wages are determined by the workload and work position of employees because there are 2.3% of employees with salaries above 10 million working as section heads or managers.

Table 1. Descriptive and Correlation Statistics

	M	SD	1	2	3	4	5	6	7	8	9
Gender	1.45	0.5									
Job Tenure	2.39	1.157									
Age	1.53	0.623	-0.216*	0.677**							
Education	1.98	0.428	-0.0217*	0.074	0.088						
Salary	3.02	0.736	-0.257**	0.707**	0.589**	0.047					
LMX	41.48	9.158	-0.044	0.144	0.108	0.154	0.029				
PS-Fit	22.56	4.921	-0.039	0.104	0.104	0.062	0.004	0.620**			
WE	63.85	13.53	0.052	0.103	0.095	0.118	-0.08	0.669**	0.692**		
Performance	18.58	4.232	-0.054	0.163	0.128	0.136	0.055	0.658**	0.675**	0.826**	

Notes: N = 132; *p < .05, **p < .01

3.1 Measurement

Leader-member exchange (LMX) is a dimension that must be owned by an organization in order to create good communication so that the relationship between leaders and subordinates is harmonious (Zakiy, 2019). Leader-member exchange is measured using 11 statement items developed by Liden & Maslyn (1998). An example of a piece of the statement is, "I am impressed with my supervisor's knowledge of his work."

Person supervisor fit shows a match between a person and his supervisor in the working environment, and, by far, the dyadic match is the most studied in the working environment (Kristof-Brown et al., 2005). Person supervisor fit was measured using 6 statement items developed by Schoon (2008).

An example of a statement item is "My personality matches my boss."

Work engagement is a positive attitude related to work, characterized by vigor, dedication, and absorption (Schaufeli et al., 2006). Vigor refers to employee motivation to invest effort into action as well as employee endurance and persistence. Dedication reflects the employee's strong identification of work because it relates to employee involvement and enthusiasm about the job. Absorption refers to employee concentration and full participation in work (Venz et al., 2018). Work engagement was measured using 16 statement items developed by Schaufeli et al. (2006). Examples of statement items, "I feel time flies when working."

Employee Performance is defined as the overall level of success of a person during a specific period in carrying out the task compared with various possibilities, such as targets, work standards, or criteria (Robbins, 2016). The indicators of employee performance are quality, quantity, output period, workplace attendance, and cooperative nature. Employee performance was measured using 5 statement items developed by Robbins (2016) and used by Maulida (2018). Example items statement "I am able to reach the quality standards set by the company."

4. Result and Discussion

4.1 Instrument Quality Test Results

Testing the quality of the instrument is in the form of verifying validity and reliability. Checking the validity is to check the loading factor ≥ 0.50 . In this study, there were 39 indicators which had a loading factor of more than 0.50. Reliability was measured from the value of construct reliability (CR) > 0.70 and average variance extracted (AVE) > 0.50 . All

statement indicators have CR and AVE values over the provisions.

4.1 SEM Assumptions Test Results

The number of AMOS SEM samples by the Maximum Likelihood (ML) method is 100-200 (Ghozali, 2011). From the total number of respondents, 132, this number met the sample adequacy. The normality test was from the value of the critical ratio (c.r) with a critical value of ± 2.58 at a significance level of 0.01. As multivariate, the data meets typical asthma because it has a value of 0.169 in the range of ± 2.58 . A multivariate outlier test was performed by looking at the mahalanobis distance at the level of $p < 0.001$. This study has 39 indicators, so the maximum value of the presence of multivariate indications is $CHINV(39, 0.001) = 72.05466$. The highest mahalanobis result which in high collinearity, namely the value ≥ 0.90 (Hair et al., 2014). In this study, the correlation value between the independent variables was 0.638, meaning there was no perfect correlation between the leader-member exchange variables and the person supervisor fit. Next, a goodness of fit model test is carried out as follows.

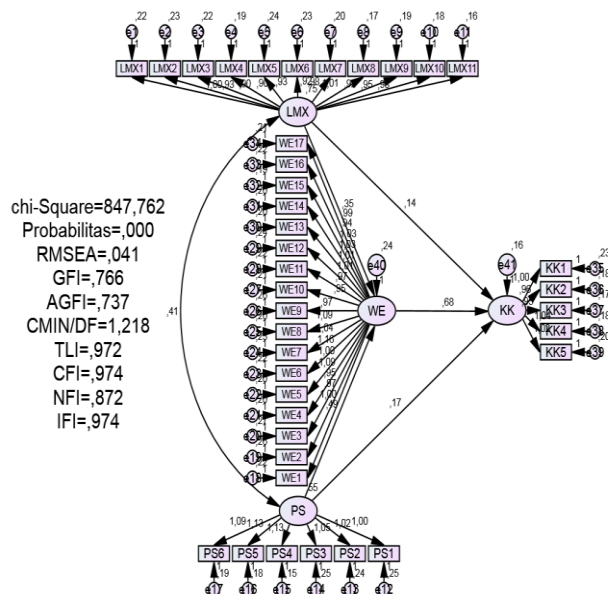


Figure 1. Structural Equation Modeling Test Results

The results of the above test are known that the chi-square value is quite low with a probability that does not meet the standard that is more than 0.05. However, if seen from other values RMSEA = 0.041 (<0.08) fit, GFI = 0.766 (<0.90) marginal fit, AGFI (<0.90) marginal fit, CMIN / DF = 1,218 (<2.0) fit, TLI = 972 (>., 90) fit, CFI = 974 (> 0.90) fit, NFI = 0.872 (<0.90) marginal fit, and IFI = 0.94 (> 0.90) fit.

Table 2. SEM Assumptions Test Results

No	Assumptions Test	Index	Results
1	Number of Sample	Minimal 100	132
2	Normality	±2,58	0.169
3	Outlier	72,05466	<72,05466
4	Multikolinearitas	≤0.90	0.638
5	Goodness of Fit		
	Chi-square	Expected as low	847,762
	Significancy probability	>0.05	0,000
	RMSEA	≤0.08	0,041
	GFI	≥0.90	0,766
	AGFI	≥0.90	0,766
	CMIN/DF	≤2.00	1,218
	TLI	≥0.90	0,972
	CFI	≥0.90	0,974
	NFI	≥0.90	0,872
	IFI	≥0.90	0,974

Table 3. Hypothesis Test Results

	Estimate	S.E.	C.R.	P	Hypothesis
Leader Member Exchange -- Work Engagement	0,346	0,074	4,667	*** 0,000	Supported
Person Supervisor Fit -- Work Engagement	0,488	0,091	5,387	*** 0,000	Supported
Work Engagement -- Employee Performance	0,684	0,099	6,933	*** 0,000	Supported

Table 4. Test Results of Direct Effect and Indirect Effect

	Direct Effect	Indirect Effect
Leader Member Exchange- Employee Performance	0.144	< 0.248
Person Supervisor Fit-Employee Performance	0.157	< 0.301

Table 5. Sobel Test Results

	t-value (>1.96)	p-value (<0.05)
Leader-Member Exchange-Work Engagement-Employee Performance	3.872	0.00011
Person Supervisor Fit-Work Engagement-Employee Performance	4.236	0.000023

Hypothesis 1 states that leader-member exchange has a positive effect on work engagement. The test results show that the estimated value of 0.346 and the value of C.R 4.667, with a significance level of 0.000. The results of this test provide support for the first hypothesis and are consistent with previous research conducted by Agarwal (2012) and Chaurasia & Shukla (2014). They say there is a positive influence on the leader-member exchange on work engagement, where when a leader and subordinate gets closer, the employee engagement to the work is even higher.

Hypothesis 2 states that person supervisor fit has a positive effect on work engagement. The test results show that the estimated value of 0.488 and the value of C.R 5.387, with a significance level of 0.000. The results of this test provide support for the second hypothesis and are consistent with research Zheng (2014) and Zhang (2015), which explains the influence between the two, where when conformity or compatibility created between superiors and subordinates will make employee attachment to work increase.

Hypothesis 3 states that work engagement has a positive effect on employee performance. The test results show that the estimated value of 0.684 and the value of C.R 6.933, with a significance level of 0.000. The results supported the third hypothesis and are consistent with previous research conducted by Salanova & Schaufeli (2008) and Alessandri et al. (2018), which explains the positive influence of work engagement on employee performance, where strong attachment to their work leading to high employee performance.

Hypothesis 4 states work engagement is able to mediate the positive

influence of leader-member exchange on employee performance. The test results show that the value of indirect effect 0.248 is greater than the value of direct effect 0.114, and the t value of 3.872 and p-value of 0.00011, then work engagement can mediate significantly. The results supported the fourth hypothesis and are consistent with previous research conducted by Brevart (2015), which says that work engagement can mediate the positive influence of leader-member exchange on employee performance. When a leader and subordinate gets closer, the higher employee attachment to his work, which resulted in high employee performance as well.

Hypothesis 5 states work engagement is able to mediate the positive influence of person supervisor fit on employee performance. The test results show that the value of the indirect effect is 0.301 greater than the value of the direct effect of 0.157, and the t-value of 4.236 and p-value of 0.000023, so work engagement can mediate significantly. The results supported the fifth hypothesis that work engagement can mediate the positive influence of person supervisor fit on employee performance. It happens when a supervisor and subordinate increasingly have a similarity intertwined between the two makes employee's work engagement increase and result in High employee performance.

4.3. Discussion

The test results show for the first hypothesis that leader-member exchange has a positive effect on work engagement. This research is supported by previous research, Agarwal et al. (2012), which stated the positive influence of LMX on work engagement. An employee who has a high-quality LMX relationship will get more time

from superiors, get a lot of direction or information, and get more emotional support than employees who have low LMX quality with their superiors. The leader will facilitate employees in achieving their goals, stimulate personal development both in increasing enthusiasm, initiative, and service to the company. In the study of Chaurasia & Shukla (2014), the results show that LMX has a positive and significant effect on work engagement. Employees have a good relationship with their leaders, providing mutual relations with each other. In this study, it means that there are aspects of affection between superiors and subordinates, which is one of the LMX dimensions means there is a reciprocal relationship between one another. Employees at Islamic Banks not only interact based on professionalism but also interpersonal. Furthermore, employees will show their contribution in accordance with the tasks assigned, generate a sense of loyalty, and cause respect between superiors and subordinates. It is also supported by the research of Brevart et al. (2015), that employees will have a high-quality relationship when they have an attachment to their work.

The test results show support for the second hypothesis that person supervisor fit has a positive effect on work engagement. An employee can have a high level of personal preference, develop positive feelings, and more interaction with his leader (Lankau et al., 2005). It means, the existence of more interactions or relationships between superiors and subordinates that will also cause feelings of pleasure or positivity makes a person will maximize the work done. In this study, it means that employees of Islamic Banks who have more visible interaction

with some similarities can be in the form of personality, values, or conformity of goals that can be seen from daily workplaces, both professional and personal. According to Zhang (2015), a match between superiors and subordinates (PS-Fit) reduces an employee's intention to leave the company, where the employee has a high commitment to the company. On the PS-Fit dimension that is goal conformity, where it is said to be important because it impacts on performance, commitment, and satisfaction. The existence of the suitability of this goal means that it will affect employees towards work performed in accordance with the wishes or orders of superiors. It means, the higher the employees of a Sharia Bank have a match or suitability with their leader, the more they want to show the best results in work so that they will be more attached to their work.

The test results show for the third hypothesis that work engagement has a positive effect on employee performance. This study supports the research of Alessandri et al. (2018) with the results of a positive and significant effect of work engagement on employee performance. The higher the employee feels attached to the work done, the better the performance produced by the employee. In this study, the employees of Bank Syariah have a high work engagement where they complete tasks with enthusiasm, have the initiative in their work and also have a high dedication to the Islamic Bank where they work without ignoring the responsibilities of each section or work unit. According to Chaurasia & Shukla (2014), employee involvement in their work indicates good performance results because an employee's performance is determined by the work process and the results achieved in

accordance with the target. The phenomenon is in line with one of the dimensions used in work engagement, dedication. It implies that employees at Islamic Banks want to be involved far and strong in their work so that it will affect output or performance following the target of Islamic Banks.

The test results support the fourth hypothesis that work engagement can mediate the positive influence of leader-member exchange on employee performance. This research is supported by the results of the research of Breevaart et al. (2015) that high-quality LMX greatly contributes to employee performance through work engagement owned by the employee. An employee who has high quality and quantity of interaction with his superiors will be enthusiastic about the work. It cannot be separated from the desire of an employee to be involved in work which will impact on performance. In this study, it can be interpreted that the supervisors and employees of Islamic banks have a high quality of interaction, where superiors support and facilitate the work process of their employees. Their employees also provide feedback utilizing mastery of the work performed or high employee attachment to their work and will be affected by performance in accordance with the expectation of the leader. Bekker & Leiter (2010) states that increasing engagement is a trade-off from superiors' support related to mental endurance, energy, and also self-investment to face the challenges so that later it will have an impact on increasing performance and achieving targets.

The test results show for the fifth hypothesis that work engagement can mediate the positive influence of superficial person fit and employee performance.

According to Wexley et al. (1980), employees who feel the values within themselves are compatible with the values of their superiors. Then they will be satisfied with the work and the environment. The satisfaction that is achieved cannot be separated from the engagement (engagement) themselves with the work they do in order to achieve results that satisfy themselves and their superiors, and will later have an impact on the performance results. Bank Syariah employees who have a match or similarity with their superiors strive to provide the best results with high work engagement in order to achieve performance that meets the quantity, quality, timeliness, professionalism both in terms of teamwork of one unit or section and occupies other rules in the office. According to Zheng et al. (2014), a leader who feels suitable or has similarities with his subordinates will feel more trust, respect, and support his subordinates, so that his superiors can also control the results of his work well. The existence of this intertwined match will result in subordinates feeling close to their superiors and bound to the work so that employees as much as possible give the best results according to the Islamic Bank's target. As a result, if the target is achieved, the employer will feel confident with the employee and will provide rewards for the work, whether easy approval, support, or benefits. Therefore, work engagement is able to mediate and produce better performance.

5. Conclusion

This study complements previous research that discusses the role of dyadic relationships between superiors and subordinates that will affect the performance of employees. Work engagement is one of the strong predictors of an employee in

producing high performance. This research has proven that LMX and PS-Fit can improve employee performance through work engagement. It shows a new perspective for Islamic banks in Indonesia in improving employee performance through the role of work engagement and the relationship between leaders and subordinates.

6. Managerial Implications

The results of this study can be taken into consideration by companies, especially in the banking industry, to pay attention and improve the relationship established between superiors and subordinates. The relationship between superiors-subordinates (LMX) and suitability (PS-Fit) that is formed can affect an employee's performance by providing facilities. Then, with work engagement as mediation, it can make the performance results higher.

7. Limitation and Future Research

There are several weaknesses in this study, which will be elaborated as follows. First, this research is very likely to have a common method bias. The use of self-reported methods to measure LMX perceptions, PS-Fit, work engagement, and performance felt by employees. However, researchers have made every effort to reduce the tendency for these biases to ensure the confidentiality of respondents' data and explain and convince respondents of the purpose of this study. In subsequent studies, it is recommended that the research variables be measured by not only using self-reported valuation methods but also by using the assessment methods of superiors and colleagues. Second, the research variables of person supervisor fit and employee performance dimensions or indicator indicators used have not been adjusted to the context of Islamic banking in Indonesia. It is

expected that further research can update the indicators in accordance with the condition of Islamic banking in Indonesia.

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