

ABSTRACT

This study aims to analyze the influence of physical work environment and transformational leadership on loyalty of generation Z employees with job satisfaction as an intervening variable. This study was conducted on generation Z employees at PT Riau Andalan Pulp & Paper.

In This research uses a purposive sampling approach technique where this technique is a sampling technique aimed at certain qualified members. certain members who meet the requirements. The technique analysis technique used in this research is Partial Least Square (PLS) by using Smart PLS

The results showed that the physical work environment physical work environment and transformational leadership have a positive influence on job satisfaction. on job satisfaction. Job satisfaction does not have a significant influence on employee loyalty. Job satisfaction mediates the physical work environment to employee loyalty. employee loyalty does not have a significant effect as well as transformational leadership to employee loyalty. to employee loyalty.

Keywords: *Physical work environment, transformational leadership, job satisfaction job satisfaction, employee loyalty, generation Z.*

