

### **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. 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.*

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