

## ABSTRACT

PT. Telekomunikasi Indonesia Tbk., *Known as Telkom, is the largest state-owned telecommunications and network service provider in Indonesia. Telkom provides various services in telecommunication, information, media and edutainment, including cloud-based and server-based managed services, e-Payment services and IT Enablers, e-Commerce and other portal services.*

*There are as many as 1,610 employees currently active in PT. Telekomunikasi Indonesia, Tbk which belongs to the GEN Y category. Based on the results of employee performance measurement in 2017, it shows less encouraging results because there are a significant number of GEN Y employees whose performance evaluation has changed.*

*Based on expectations of GEN Y employees and existing theories, this study tries to find the effect of physical work environment and non-physical work environment on the performance of GEN Y employees in the company. The number of samples used in this study were 300 respondents.*

*The results of data processing analysis using SPSS obtained that there is a significant effect of physical and non-physical work environment on the performance of GEN Y employees at PT. Telekomunikasi Indonesia, Tbk. The magnitude influence of the physical work environment on employee performance is 19.7% and the effect of the non-physical work environment on employee performance is 26%.*

**Keywords:** *Physical work environment, Non Physical Work Environment, Employee Performance, GEN Y*