

ABSTRACT

This research aims to analyze the effect of budget adequacy and participation on organizational performance, by considering the impact of environmental uncertainty. The research object is the leaders of the Regional Apparatus Organization (OPD) in the Central Java Provincial Government area. A quantitative approach was used with data analysis through PLS-SEM techniques by using the SmartPLS 4.0 application, involving 41 respondents. Results of the analysis show that budget adequacy and participation can significantly improve organizational performance. In addition, budget participation is also proven to significantly improve budget adequacy. However, environmental uncertainty, although it can weaken the relation between budget participation and budget adequacy, but it is not significant. Other findings reveal that the greatest influence on organizational performance comes from budget adequacy. From a managerial perspective, the results of this research suggest the importance of improving budget planning, especially in resource management, risk management, as well as the active involvement of all organizational units, as a strategic step to enhance the performance of local government organizations.

Keywords: *participation; budget; adequacy; performance; environmental uncertainty*