Abstract of the Master Thesis

Master's Degree
International Project Management
(Building, Real Estate and Infrastructure)

A Comparative Study of the Impact of Workforce Ethnic Diversity on Organizational Performance in the Construction Industry

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Abstract Body
In an increasingly globalized world, cultural diversity has become of prime importance in the workplace. In particular, demographic factors such as migration and international human mobility are contributing to the shaping of ethnically diverse societies by bringing together people from different cultural and national backgrounds, forming a heterogeneous workforce in organizations. Consequently, employing a diversified workforce has become a necessity for many organizations, especially for those that operate in international markets. However, managing such a workforce is a great challenge because it has the potential to negatively affect the organization if not managed well. The research study therefore explores cultural diversity and examines the business case for the inclusion of ethnic minorities or groups in the workplace. Specifically, the research investigates cultural diversity management policies and practices of international organizations in the construction sector, considering the implications of having an ethnically diverse workforce, and exploring the impact and relationship between ethnicity and organizational performance.

In this study, a comparative design is applied to gain a deeper understanding and effectively address the research problem. It considers the UAE, which has always been diverse, in comparison with Germany, which is on the edge of becoming multicultural. A qualitative approach has been adopted to gather and analyze data, and eight semi-structured interviews are used for further exploration. These consist of four employees working in Germany and four others working in the UAE in international construction-related organizations.
The results of the research indicate neither positive nor negative link between ethnic diversity and organization performance in regards to profitability. However, ethnicity is a main factor of sales revenues, market share, increased customer numbers, as well as competitive positioning. Moreover, ethnic diversity has benefits to the organization internally; when managed well, it improves the areas of innovation, creativity and problem solving. Findings also show that ethnic diversity improves the overall performance of the organization if multiculturalism is embraced in the workplace. Limitations, however, are that organizational benefits could be context specific, resulting in different outcomes for Germany and for the UAE.

Keywords: Ethnic Diversity, Organizational Performance, Cross-Cultural Communication, Diversity Management