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### Headquarters Landscape in Austria: Vienna HQs

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# Headquarters Landscape in Austria: Vienna HQs

Study Report 2022

**WU**  
WIRTSCHAFTS  
UNIVERSITÄT  
WIEN VIENNA  
UNIVERSITY OF  
ECONOMICS  
AND BUSINESS

**H i A**

HEADQUARTERS IN AUSTRIA

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# Executive Summary

In this report, we describe the results of our study on the current headquarters (HQs) landscape in Vienna, Austria. This study represents a follow-up to our previous study on the overall HQ landscape in Austria<sup>1</sup>. It is based on a data collection combining information from the database "Orbis" (Bureau van Dijk) and other publicly available data from companies' annual reports and previous reports.

These are our main conclusions:

- **Vienna is an important HQ location and is the engine of the Austrian HQ economy.**

With its 569 HQs, Vienna accounts for 39.5% of the overall population of HQs in Austria. Despite its small geographical size compared to the other Austrian regions, the metropolitan area of Vienna is by far the most important region in Austria for HQs. The international orientation of the capital city, its proximity to Eastern European countries (e.g., Czech Republic, Slovakia, Hungary, etc.), and its reputation for an outstanding quality of life make it the privileged HQ hub in a country that is already an extremely attractive location for corporate and intermediary HQs of several domestic and international multinational corporations (MNCs).

- **Vienna is an important hub for HQs in the service and financial industries.**

Although the manufacturing as well as the wholesale and retail trade industries are important for the Viennese HQ economy, the service sector – comprising legal and accounting, management and consulting, R&D, and many other activities – is the dominant one. Moreover, Vienna emerges as an important financial hub, being home to 90 HQs operating in the financial and insurance sector.

- **Vienna's districts have a clear industry identity as a result of the HQs' distribution within the city.**

Interestingly, HQs in Vienna are largely concentrated in three districts, each having a clear industry connotation: the 1<sup>st</sup> and 3<sup>rd</sup> district primarily host HQs in the service and financial industry, while the 23<sup>rd</sup> district primarily hosts HQs in the manufacturing, wholesale, and retail sector. This concentration emphasizes the presence of agglomeration economies in the capital city.

- **Germany and Eastern European countries are the preferred subsidiary countries for Vienna's HQs.**

Thanks to its proximity and great connection to many European countries, Vienna is the perfect location for HQs which want to establish a connection with Eastern European countries, while keeping a close relationship to Central European countries. The most important subsidiary country for Vienna's HQs is Germany, with 279 Viennese HQs having at least one subsidiary in Germany. Additionally, many Viennese HQs own subsidiaries in Eastern European countries, such as Hungary, Czech Republic, Slovakia, and Romania.

- **Vienna's HQ landscape is characterized by small and medium-sized enterprises (SMEs), yet it also hosts a few large HQs.**

Similarly to the rest of Austria, Vienna shows a prevalence of SMEs: more than 60% of the HQs have less than 100 employees. However, the presence of a few large HQs counterbalances the high number of SMEs, leading to an average consolidated turnover of €379m of HQs in Vienna.

<sup>1</sup> Schmitt, J., Fabrizi, C., & Nell, P. C. (2022). *Headquarters Landscape in Austria: An Overview*. Retrieved April 5, 2022, from <https://epub.wu.ac.at/8589/>.

## Headquarters in Austria (HiA) - About us

The project "Headquarters in Austria" (HiA) is an "umbrella project" for different projects and activities, with the aim to support companies in the development of their organization and in particular of their HQs, but also to help Austria to remain an attractive location for HQs. The pronunciation of the acronym HiA is reminiscent of the word "here" and emphasizes the focus of the research project on Austria as an HQ location.



The HiA research project was launched in 2021 and has its origin in a collaboration between *eXplore!* as a funding partner and the WU Vienna University of Economics and Business (WU).

Our objectives are to:

- generate valuable theoretical and practical knowledge around HQs, their roles, functions, activities, and locations,
- share insights from research to a broader (non-academic) audience and thereby promote interest in HQs and an understanding of their importance,
- provide a platform that stimulates discussions for research, education, business practice, and policymakers.

Our core team consists of internal and external researchers at the WU Institute for International Business and is led by Prof. Dr. Phillip C. Nell. Each group member focuses on specific aspects related to HQs.

Due to the HiA project's focus on Austria, we also collaborate with relevant local partners, such as *Oesterreichische Nationalbank* (OeNB), *Austrian Business Agency* (ABA), and *Vienna Business Agency* (among others).

More information about HiA's projects can be found on the project's [website](#) and [LinkedIn page](#).

# Study Design & Motivation

## Study motivation and goal

The capital city of Austria, **Vienna, is the spearhead of the HQ landscape in Austria**, a country which attracts HQs from all over the world, while at the same time supporting the thriving of domestic HQs.

Due to the trend of offshoring manufacturing activities, **capital cities in Europe are competing to position themselves as attractive locations for HQs**. Thanks to its **geographical position** in-between Western and Eastern Europe, the **high quality of its institutions**, and its **outstanding reputation for quality of life**, Vienna has a competitive advantage in this regard (City of Vienna, 2019).

This report represents a **follow-up study** to our report on "Headquarters Landscape in Austria: An Overview" (2022). We **deep dive into the HQ landscape in Vienna** and describe its main characteristics. The results of the study are **equally important for firm managers** who are considering Vienna for a potential HQ relocation, **and for policy-makers** who work to strengthen the position of Vienna as an HQ location.

## HQ definition

Building on the widely established research on HQs (e.g., Chandler, 1991; Menz, Kunisch, & Collis, 2015), we define **HQs as hierarchically superior firm units**. To identify the hierarchical superiority of HQs, we follow other studies (e.g., Belderbos, Du, & Goerzen, 2017; Voget, 2011) and adopt **an ownership perspective on HQs** (i.e., HQs need to have an ownership of at least 50.01% in another foreign corporate entity). This ownership perspective on HQs usually coincides with the seat of the top management team as well as of central staff functions (such as HR, IT, or finance) and the legal seat.

For the purpose of this report, we only consider **HQs located in Vienna that own subordinate units in at least one foreign country** and that have **recent company information in "Orbis"**.

We also acknowledge that HQs can exist at **different hierarchical levels** (e.g., Goold & Campbell, 2002; Zhou, 2015) and can take the following forms:

- **corporate HQs (CHQs)**: representing the highest organizational unit within the entire corporate group.
- **intermediary headquarters (IHQs)**: units hierarchically positioned between the CHQ and other subunits with region-bound ('regional HQs') or product-/function-bound ('divisional HQs') mandates.

Following this definition, we exclude:

- firms as well as start-ups that **purely perform exporting activities** to foreign countries without any legal entities in those countries,
- firm entities that **do not hold a clear HQ mandate**, even if they perform activities for foreign firm entities,
- IHQs that are **owned by another IHQ in Austria**, to limit the risk of an over-representation of some firms in the list.

## Data collection and key variables

The data collection was conducted in **2021** and involves HQs based in Austria. However, in this study, we focus on **HQs based in Vienna**, which represent a **subsample of the original data collection**.

We primarily collected data on HQs via the **database "Orbis"** (Bureau van Dijk) and **triangulated the data** with other publicly available data from companies' annual reports and previous reports (e.g., Nell & Schmitt, 2018; Schmitt & Nell, 2020). Additionally, we conducted **extensive qualitative checks** with practitioners to guarantee the validity of our data.

For each HQ, we collected variables on several levels: **general information on the HQs** (e.g., name, location, year of establishment, CEO), **hierarchical information** on its corporate group (e.g., level in the hierarchy, subsidiaries owned), information on the **industry, geographical footprint, size** (i.e., employees, turnover), and similar information for its **corporate parent**.

## Analysis and interpretation

We apply **descriptive statistics techniques** on our collected dataset to give a detailed overview of the HQ landscape in Vienna. We also **split the sample** according to the nationality of the HQ (Austrian vs. international HQ) and the type of HQ (CHQ vs. IHQ) to give more detailed insights. We interpret the results to **elaborate on some potential implications**. In some instances, we refer to data of our previous report to compare numbers of Vienna with the rest of Austria.

## Limitations

The study yields a broad understanding of the HQ landscape in Vienna. However, we acknowledge certain limitations. First, we primarily **rely on a single data source "Orbis"** in our data collection. While "Orbis" can be considered as the leading database on firm-level data, the database might not capture all HQs in Vienna. Likewise, "Orbis" has some missing or outdated data on firm information that we tried to substitute with other data sources such as company reports. Second, we **only focus on the status quo of the Vienna's HQ landscape** and neglect a historical view on how the HQ landscape has developed. Such analysis will be performed in the future, by updating the present study and thereby shedding more light on longitudinal developments. Third, because of our data collection approach, we **focus our analysis on relatively large HQs**. Hence, we might lack some smaller HQs in our data collection. However, they tend to play a minor role in the overall HQ landscape.

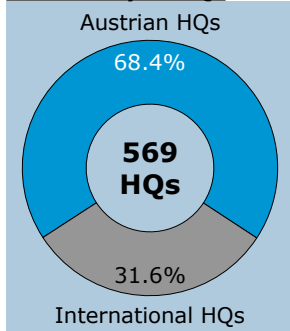


# Overview, Sector, & Location of HQs

## Overview

Overall, **Vienna hosts 569** consisting of **389 Austrian HQs** and **180 international HQs**. Slightly more than one third of HQs in Vienna are CHQs (216), while the remaining (353) are IHQs. 60 of those IHQs have a specific region-related and 174 IHQs have a specific division-related mandate. For 119 IHQs, the mandate is not clearly identifiable from publicly available data.

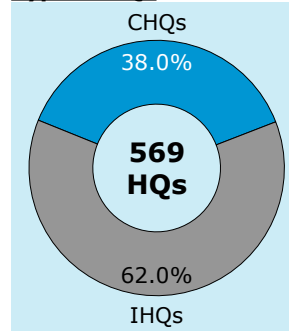
### Nationality of HQs



HQ Nationality	Vienna
Austrian	389
International	180
<b>Total</b>	<b>569</b>

**569**  
HQs are currently located in Vienna

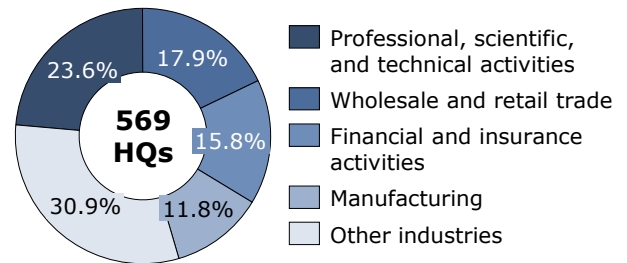
### Type of HQs



HQ Type	Vienna
CHQs	216
IHQs	353
<b>Total</b>	<b>569</b>

## Industry belonging of HQs

Similarly to other regions in Austria, Vienna's HQ economy relies on the wholesale and manufacturing sector. However, **predominant in Vienna's HQ landscape are activities** – e.g., legal and accounting, management consultancy, R&D – **which employ a highly specialized workforce** and contribute to the creation of intangible assets.



Additionally, Vienna constitutes **an important center for financial activities**. Among the HQs based in Austria, Vienna accounts for 60% of the listed HQs operating in the financial sector.

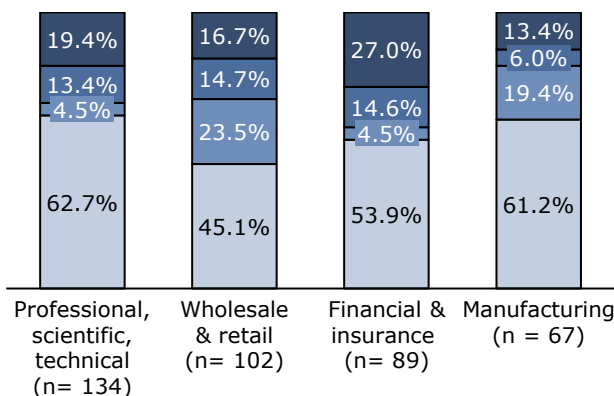
## Geographical distribution among districts

Vienna is characterized by **districts with a strong identity**. HQs tend to be concentrated in a few districts, in particular in the **1<sup>st</sup>, 3<sup>rd</sup>, and 23<sup>rd</sup> districts** – Innere Stadt, Landstrasse, and Liesing, respectively.

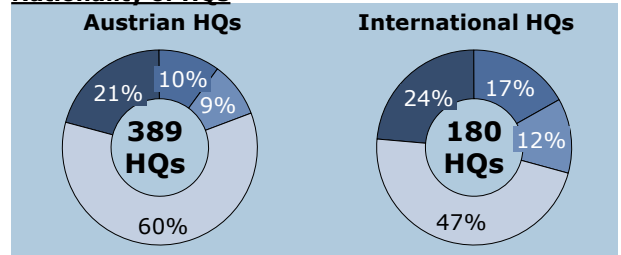
for **professional, scientific, and technical activities**. **Manufacturing activities**, instead, are predominantly located in less central areas of the city, such as **in the 23<sup>rd</sup> district**.

Each of those districts is characterized by an agglomeration of HQs belonging to similar industries. **The 1<sup>st</sup> district, followed by the 3<sup>rd</sup>, is the most relevant one for financial and insurance** as well as

Moreover, the distribution of HQs in districts seems to be slightly influenced by the origin of the HQ. **The 1<sup>st</sup> and 3<sup>rd</sup> district are by far most popular for all kinds of HQs**, followed by the 11<sup>th</sup> district for Austrian HQs and by the 23<sup>rd</sup> for international HQs.



### Nationality of HQs



- 1. Innere Stadt
- 3. Landstrasse
- 23. Liesing
- Others

# Geographical Footprint & Size of HQs

## Geographical footprint of HQs

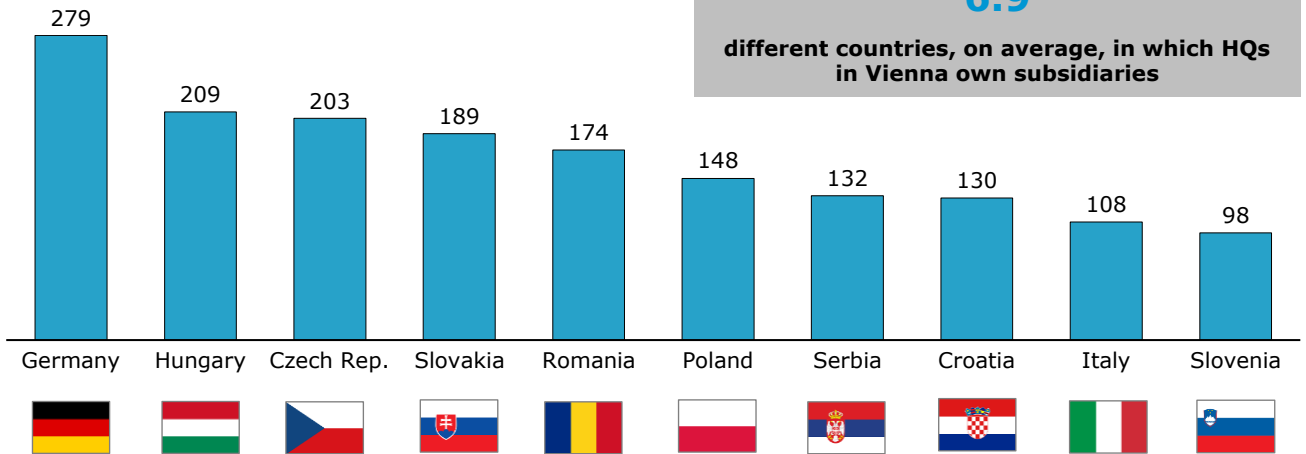
More than half of the HQs located in Vienna own subsidiaries in other Austrian regions and even in Vienna itself. **Vienna's strategic position at the heart of Austria facilitates connection with other Austrian regions**, and in particular with Upper Austria, Lower Austria, and Styria.

Among foreign subsidiaries, **German subsidiaries are the most popular ones for HQs located in Vienna**, followed by **subsidiaries in Eastern Europe and in other neighboring countries** (e.g., Italy).

**62%**  
of all HQs in Vienna own at least one subsidiary in Austria

Thanks to its **proximity to many European countries**, Vienna is the perfect location for HQs that want to establish a connection with Eastern European countries, while keeping a close relationship to Central European countries.

**6.9**  
different countries, on average, in which HQs in Vienna own subsidiaries



Note: n = 569

## Employees and turnover of HQs (consolidated numbers)

A closer look at the number of employees and the turnover of the HQs based in Vienna shows a **prevalence of SMEs also in the capital city**. More than 60% of the HQs have less than 100 employees.

However, the presence of **a few remarkably large HQs counterbalances the high number of SMEs**. On average, the number of employees in HQs based in Vienna (1,015) is much higher than in HQs located in Austria in general (856). A similar picture emerges from a closer look at the turnover, which is on average €86m higher in Vienna as compared to overall Austria.

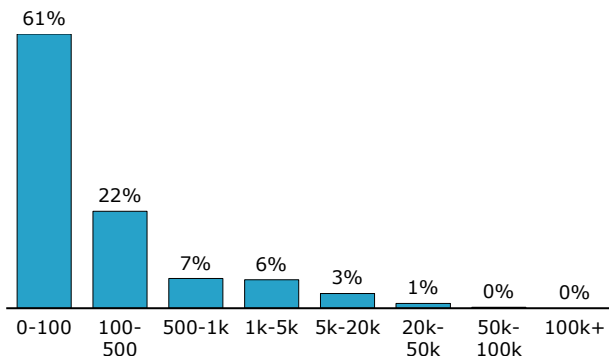
**1,015**  
people on average employed by HQs in Vienna

Note: This refers to the consolidated number of employees.

**€379m**  
yearly turnover on average for HQs in Vienna

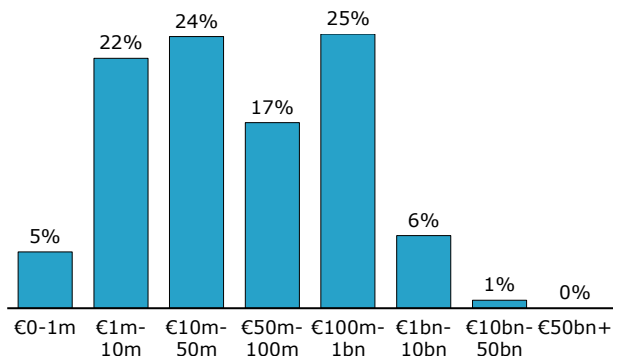
Note: This refers to the consolidated turnover.

### Employees



Note: Information on employees was available for 455 firms. The numbers refer to the last available year of information (mostly 2020).

### Turnover

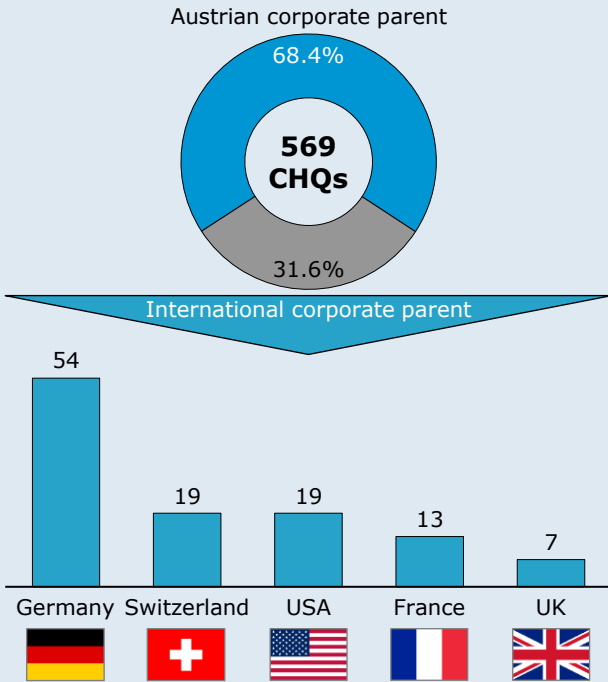


Note: Information on turnover was available for 416 firms. The numbers refer to the last available year of information (mostly 2020).

# Corporate Parents of HQs

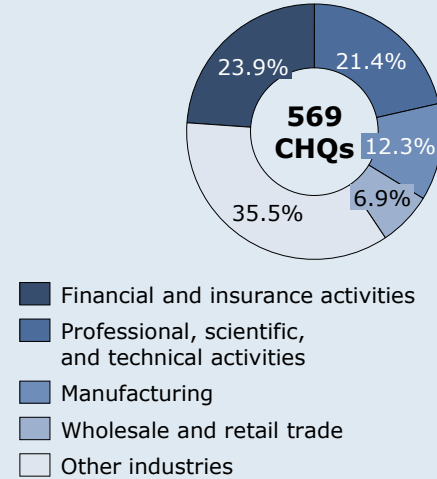
## Nationality of corporate parents

The HQ landscape in Vienna is **dominated by Austrian HQs**. However, Vienna is also home to a **considerable number of international HQs** (31.6%). Germany, in particular, followed by other nearby countries (e.g., Switzerland) and large economies from abroad (e.g., USA) privilege Austria as location for their HQs.



## Industry belonging of corporate parents

Vienna is considered particularly attractive from corporate parents **operating in highly specialized sectors and know-how intense industries** (e.g., financial and insurance sectors, R&D, engineering, consulting, and management).



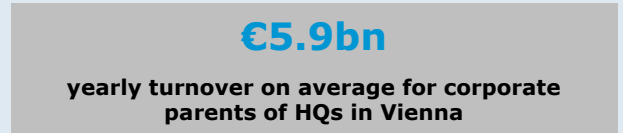
## Employees and turnover of corporate parents (consolidated numbers)

The corporate parents of HQs in Vienna are much bigger than the HQs themselves and than the corporate parents of the HQs in other parts of Austria.

Almost 40% of corporate parents from HQs in Vienna have more than 1,000 employees and a yearly turnover of more than €1bn. This highlights that **Vienna as an HQ location is not only attractive for SMEs, but also for large corporations.**

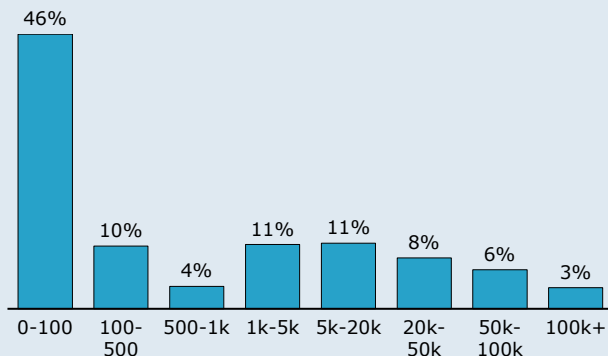


**Note:** This refers to the consolidated number of employees.



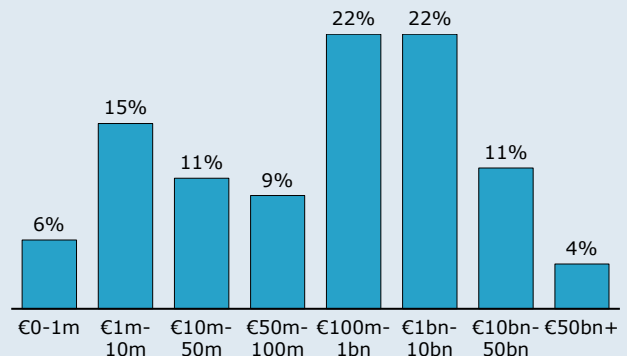
**Note:** This refers to the consolidated turnover.

### Employees



**Note:** Information on employees was available for 402 firms. The numbers refer to the last available year of information (mostly 2020).

### Turnover



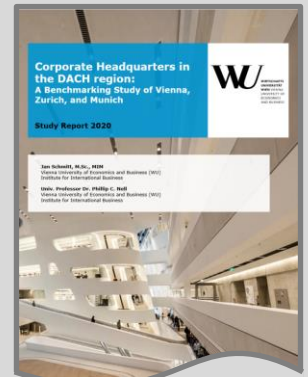
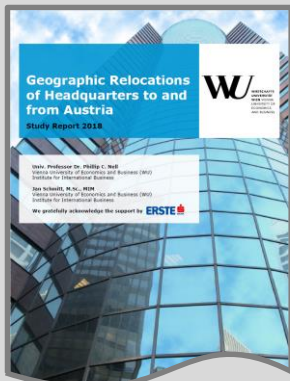
**Note:** Information on turnover was available for 359 firms. The numbers refer to the last available year of information (mostly 2020).



# Our Publications

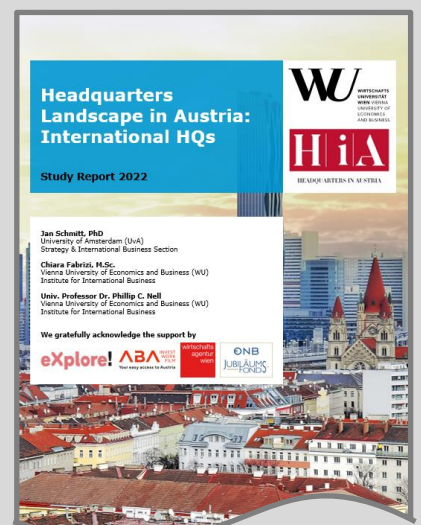
## Previous publications

In previous reports, we have already **investigated a broad number of topics related to headquarters in Austria**, including **geographic relocations of headquarters, changing headquarters in times of digitalization, and Vienna as an important location for corporate headquarters in the DACH region**:



## Recent publications

Currently, we are **investigating the headquarters landscape in Austria** in more detail. Based on our analyses, we have published **three reports** that holistically shed light on how the headquarters landscape in Austria looks like:



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